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State/Territory Name: **New Jersey**

State Plan Amendment (SPA) #: **11-0013**

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
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

January 8, 2025

Gregory Woods
Assistant Commissioner
P.O. Box 712, Mail Code #26
Trenton, NJ 08625-0712

Re: New Jersey State Plan Amendment (SPA) #11-13

Dear Assistant Commissioner Woods:

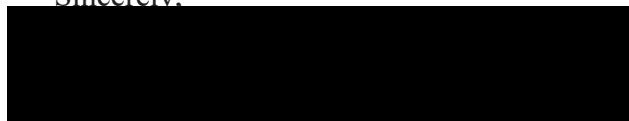
The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) #11-13. The state proposes changes to the early and periodic screening, diagnostic and treatment benefits, and related payment methodologies. The proposed changes align payments for direct medical services, which are outlined in an individualized education plan and supplied in a school-based setting, to actual costs for providing these services.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act at section 1902(a)(43), as implemented at §440.60, §440.110, §440.130, and section 1905(r). This letter informs you that New Jersey's Medicaid SPA TN #11-13 was approved on January 8, 2025, with an effective date of July 1, 2011, through June 30, 2024.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the New Jersey State Plan.

If you have any questions, please contact Terri Fraser at (410) 786-5573 or via email at Terri.Fraser@cms.hhs.gov.

Sincerely,



James G. Scott, Director
Division of Program Operations

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 11-13-MA	2. STATE New Jersey
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2011	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND 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: 42 U.S.C. 1396b(e) and 1396d(r) \$440.60; 440.130; 42 U.S.C. 1397aa \$440.110; 1905(r) 20 U.S.C. §§ 1401, 1412, and 1414	7. FEDERAL BUDGET IMPACT a. FFY 2011 \$4,250,000 b. FFY 2012 \$4,250,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Addendum to Attachment 3.1-A, page 13(d).1 Addendum to Attachment 3.1-A, pages 13(d).1a, 1b, 1c, 1d, 1e, 1f, 1g, 1h, 1i, 1j and 1k	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Addendum to Attachment 3.1-A, page 13(d).1 New pages
Attachment 4.19-B, page 22a. 1- page 22a.1a- e Attachment 4.19-B, page 22b, 22c, 22d, 22e, and 22f	Attachment 4.19-B, page 22a New New pages
10. SUBJECT OF AMENDMENT: School Based Rehabilitative Services (Special Education)	


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:
Not required, pursuant to 7.4 of the Plan

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Valerie J. Harr, Director Division of Medical Assistance and Health Services P.O. Box 712, #26 Trenton, NJ 08625-0712
13. TYPED NAME: Jennifer Velez	
14. TITLE: Commissioner, NJ Department of Human Services	
15. DATE SUBMITTED: September 30, 2011	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: 09/30/2011	18. DATE APPROVED: 01/08/2025
PLAN APPROVED- ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL 07/01/2011	SIC 
21. TYPED NAME: James G. Scott	22. TITLE: Director, Division of Program Operations

23. REMARKS:
1/06/25 - Per the state's request, changes made to Boxes 6, 8, and 9.

1.b. EPSDT Services:

School-Based Health Services:

The School-Based Health Services program, known as the Special Education Medicaid Initiative (SEMI) in New Jersey, includes covered services provided by or through the New Jersey Department of Education (DOE) or a Local Education Agency (LEA) to children with or suspected of having disabilities or other documented medical needs, who attend public school in New Jersey, recommended by a physician or other licensed practitioners of the healing arts to EPSDT eligible students. These services are provided pursuant to an Individual Education Program (IEP), an Individual IFSP, and, effective 12/15/14, other medical plan of care, or for which medical necessity has been documented.

The services are defined as follows:

a. **Audiology Services:**

Definition: Audiology services are the identification of children with hearing loss, determination of the range, nature and degree of hearing loss, including rehabilitation due to hearing disorders. These services will be consistent with the Federal regulation citation at 42 CFR §440.110(c), and include provision of rehabilitative training, speech reading (lip reading), hearing evaluation and speech conversation and determination of a child's need to individual amplification. Repairs and adjustments to hearing aids are also billable services for eligible children. Other audiology services include:

- Auditory acuity (including pure tone air and bone conduction);
- Speech detection and speech reception threshold;
- Auditory discrimination in quiet and noise;
- Impedance audiometry, including tympanometry and acoustic reflex;
- Hearing aid check when it has been at least six months from the date of the initial fitting or if there is an issue with the aid;
- Central auditory function;
- Testing to determine the child's need for individual amplification;
- Selection and fitting for aid(s);
- Evaluation of the child wearing aid(s)
- Auditory training;
- Speech reading; and
- Augmentative communication

Qualified Practitioners: Qualified providers must meet the requirements in 42 CFR §440.110(c)(3) and be licensed by the State Audiology and Speech-Language Pathology Advisory Committee in accordance with New Jersey law at NJSA 45:3B-1 et seq.

b. Nutrition Services (Provided Relative to a Medical Condition):

Definition: Nutrition services provided by a dietitian licensed by the state of New Jersey within the scope of their practice as defined by state law. These services are provided in accordance with 440.60.

Qualified Practitioners: A professional who holds a valid New Jersey license as a dietitian.

c. Occupational Therapy Services:

Definition: Federal regulations (42 CFR §440.110(b)) require that occupational therapy must be prescribed by a physician or other licensed practitioner of the healing arts within the scope of practice under New Jersey law and must be provided by or under the direction of a qualified licensed occupational therapist. These services are those assessing, improving, developing, or restoring functions impaired or lost through illness, injury or other event that caused impairment of the fine motor functioning. Occupational therapists can bill for time spent in “hands on” activities with the beneficiary. This includes time spent assisting the beneficiary to use adaptive equipment and assistive technology. Time spent in training teachers or aides to work with the beneficiary (unless training time) and time spent on actually manipulating or modifying the adaptive equipment is not billable. Occupational therapy services include:

- Activities of daily living;
- Sensory or perceptual motor development and integration;
- Neuromuscular and musculo-skeletal status (muscle strength and tone, reflex, joint range of motion, postural control, endurance);
- Gross and fine motor development;
- Feeding or oral motor functions;
- Adaptive equipment assessment;
- Adaptive behavior and play development;
- Prosthetic or orthotic training;
- Fabrication or observation of orthotic devices;

Neuromotor or neurodevelopmental assessment;

- Gait, balance and coordination skills; and
- Postural control.

Qualified Practitioners: Qualified providers must meet the requirements in 42 CFR §440.110(b)(2) licensed by the Occupational Therapy Advisory Council and certified or endorsed by the Department of Education. Occupational Therapy can also be provided by a certified occupational therapy assistant (COTA) under the supervision of a licensed occupational therapist.

d. Orientation and Mobility Services:

Definition: Orientation and mobility services - services provided to blind or visually impaired children by qualified personnel to enable those children to enhance or restore systematic orientation to and safe movement within their environments in school, home, and community. Orientation and mobility services are provided in accordance with 42 CFR 440.130(d) and include:

- (a) Services to assist children with spatial and environmental concepts and use of information received by the senses (such as sound, temperature, and vibrations) to enhance, maintain, or regain orientation and line of travel (e.g., using sound at a traffic light to cross the street);
- (b) Services to enhance or restore visual travel skills, which may include instruction in the use of assistive equipment or aids.
- (c) Other concepts, techniques, and tools.

Qualified Practitioners –Individuals certified by The Academy for Certification of Vision Rehabilitation & Education Professionals (ACVREP) or hold a Category A: University Preparation Certificate issued by the National Blindness Professional Certification Board (NBPCB).

e. Physical Therapy Services:

Definition: Federal regulations (42 CFR §440.110(a)) require that physical therapy must be prescribed by a physician or other licensed practitioner of the healing arts within the scope of practice under New Jersey law and must be provided by or under the direction of a qualified licensed physical therapist. These services are those assessing, preventing or alleviating movement dysfunction and related functional problems, obtaining, interpreting and integrating information relative to the beneficiary. Physical therapists can bill Medicaid for time spent in “hand on” activities with the beneficiary. This includes time spent assisting the beneficiary to use adaptive equipment and assistive technology. Time spent in training teacher aides

Services described on this page will apply through June 30, 2024.

to work with the beneficiary (unless the beneficiary is present) is not billable. Physical therapy services include:

- Neuromotor or neurodevelopmental assessment;
- Musculo-skeletal statue (including muscle strength and tone; posture, joint range or motion);
- Gait, balance and coordination skills;
- Postural control;
- Cardio-pulmonary function;
- Activities of daily living;
- Sensory motor and related central nervous system function;
- Oral motor assessment;
- Adaptive equipment;
- Gross and fine motor development;
- Observation and fabrication or orthotic devices; and
- Prosthetic training.

Qualified Practitioners: Qualified providers must meet the requirements in 42 CFR §440.110(a)(2) and be licensed by the State Board of Physical Therapy Examiners and certified or endorsed by the Department of Education. Physical therapy can also be provided by licensed physical therapy assistants under the direct supervision of a licensed physical therapist. Services are provided by a physical therapist as a licensed practitioner of the healing arts within the scope of his or her practice rules under the laws of New Jersey.

f. Evaluation

Definition: Evaluation services include evaluations and reevaluations, of a child's physical, emotional, intellectual and psychological health and functioning. Medicaid coverage is available for the medical component of the evaluation services when provided in accordance with 42 CFR 440.130(d) and when provided by qualified practitioners.

Evaluation results are used to develop the student's IEP, IFSP, or other medical plan of care, which prescribes the range and frequency of services that a student needs.

Qualified Practitioners: The following licensed practitioners may provide evaluation services: physicians, nurses, speech language pathologists, physical therapists, audiologists, dieticians, and occupational therapists. Additionally, services may be provided by certified school psychologists and certified school social workers authorized to provide psychological counseling services under New Jersey state law.

To obtain school certification, psychologists must possess a standard educational services certificate with a school psychologist endorsement, which requires a master's or higher degree from a regionally accredited college or university and the completion of a minimum of 60 hours in specialized courses. Additionally, the completion of an externship of 1,200 clock hours, 600 - 900 of those must be completed in a school setting with school-aged children.

Social Workers must possess a school social worker certificate, which requires a master's or higher degree from a regionally accredited college or university and a minimum of 30 hours in specialized courses.

g. Psychological and Psychotherapeutic Counseling Services

Definition: Psychological counseling covered under §1905(a)(13)(C) of the Social Security Act, includes the provision of assessment and therapy services for the benefit of the beneficiary. Psychological counseling services are provided in accordance with 42 C.F.R. 440.130(d)

Psychological counseling services means the application of psychological principles and procedures in the assessment, counseling or psychotherapy of individuals for the purposes of promoting the optimal development of their potential or ameliorating their personality disturbances and maladjustments as manifested in personal and interpersonal situations.

Psychotherapeutic counseling means the ongoing interaction between a social worker and an individual, family, or group for the purpose of helping to resolve symptoms of mental disorder, psychosocial stress, relationship problems, or difficulties in coping with the social environment, through the practice of psychotherapy.

Qualified Practitioners: Psychological and Psychotherapeutic counseling must be provided by certified school psychologists and certified school social workers as described in New Jersey Administrative Code who are authorized to provide psychological counseling services under New Jersey state law.

To obtain certification, psychologists must possess a standard educational services certificate with a school psychologist endorsement, which requires a master's or higher degree from a regionally accredited college or university and the completion of a minimum of 60 hours in specialized courses. Additionally,

Services described on this page will apply through June 30, 2024.

the completion of an externship of 1,200 clock hours, 600 - 900 of those must be completed in a school setting with school-aged children.

Social Workers must possess a school social worker certificate, which requires a master's or higher degree from a regionally accredited college or university and a minimum of 30 hours in specialized courses.

h. Nursing Services:

Definition: Services of a registered nurse or practical nurse, working under the direction of a physician, licensed by the New Jersey Board of Nursing within the scope of their practice as defined by state law. These services are provided in accordance with 42 CFR 440.60.

Qualified Practitioners: A registered nurse or practical nurse licensed by the New Jersey Board of Nursing.

i. Speech and Language Services:

Definition: Speech and Language Services: Federal regulations (42 CFR §440.110(c)) require that services for individuals with speech, language, hearing or language disorders means diagnostic screening, preventive or corrective services provided by or under the direction of a speech pathologist or audiologist, for which the patient is referred by a physician or other licensed practitioner of the healing arts. Speech and language pathology services include:

- Identification of children with speech and/or language disorders;
- Provision of speech or language services for the prevention of communicative disorders;

The speech language pathologist must bill for time spent in actual treatment with the beneficiary. This includes time spent assisting the beneficiary with learning to use adaptive equipment and assistive technology.

Qualified Practitioners: Qualified providers must meet the requirements in 42 CFR §440.110(c)(2) and be certified or endorsed by the Department of Education and hold an American Speech-Language-Hearing Association (ASHA) Certificate of Clinical Competence or be certified or endorsed by the Department of Education and hold a valid license authorized by the State Audiology and Speech-Language

Pathology Advisory Committee in accordance with New Jersey law at NJSA 45:3B-1 et seq.

j. Specialized Transportation:

Definition: Specialized transportation services include transportation to receive Medicaid approved school-based health services. This service is limited to transportation of an eligible child to Medicaid covered, health related services as listed in a recipient's IEP, IFSP, other medical plan of care or otherwise medically necessary.

The special transportation is Medicaid reimbursable if:

1. It is provided to a Medicaid eligible EPSDT recipient who is enrolled in an LEA;
2. It is being provided on a day when the recipient receives an IEP, IFSP, other medical plan of care or otherwise medically necessary health-related Medicaid covered service; The Medicaid covered service is included in the recipient's IEP, IFSP, other medical plan of care or otherwise medically necessary;
3. The recipient's need for specialized transportation service is documented in the child's IEP or IFSP; and
4. The driver must have a valid driver's license.

Specialized transportation services are defined as transportation that requires a specially equipped vehicle, or the use of specialized equipment such as a lift on a bus or a wheel chair harness to ensure a recipient is taken to and from the recipient's residence to school or to a community provider's office for Medicaid covered services included in an IEP, IFSP, other medical plan of care, or otherwise medically necessary.

1. Transportation provided by or under contract with the school, to and from the recipient's place of residence, to the school where the recipient receives one of the health related services covered by Title XIX;
2. Transportation provided by or under contract with the school, to and from the recipient's place of residence or school to the office of a medical provider who has a contract with the school to provide one of the health related services covered by Title XIX; or

Services described on this page will apply through June 30, 2024.

3. Transportation provided by or under contract with the school from the recipient's place of residence to the office of a medical provider who has a contract with the school to provide one of the health related services covered by Title XIX and returns to school. Specialized transportation services will not be Medicaid reimbursable if the child does not receive a Medicaid covered service on the same day. When claiming these costs as direct services, each school district will be responsible for maintaining written documentation, such as a trip log, for individual trips provided. No payment will be made to, or for parents providing transportation.

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Reimbursement for Services

Reimbursement described on this page will apply through June 30, 2024.

REIMBURSEMENT FOR EPSDT SERVICES: School-Based Health Services

A. Reimbursement Methodology for School-Based Health and Related Services

The School-Based Health Services program, known as the Special Education Medicaid Initiative (SEMI) in New Jersey, includes covered services provided by or through the New Jersey Department of Education (DOE) or a Local Education Agency (LEA), herein after referred to as “providers” for this section of the State Plan, to children with or suspected of having disabilities, who attend public school in New Jersey, recommended by a physician or other licensed practitioners of the healing arts to EPSDT eligible special education Medicaid enrolled students from age 3 to age 21. These SEMI direct medical services are provided pursuant to an Individual Education Program (IEP) or Individual Family Service Plan (IFSP). SEMI includes the following Medicaid services, as defined under Section 3.1A of the State Plan:

1. Audiology Services
2. Nutrition Services
3. Occupational Therapy Services
4. Orientation and Mobility Services
5. Physical Therapy Services
6. Evaluation Services
7. Psychological Counseling Services
8. Nursing Services
9. Speech-Language Pathology Services

B. Direct Medical Services Payment Methodology

Effective for dates of service on or after July 1, 2011, through June 30, 2024, providers will be paid on a cost basis. Providers will be reimbursed on an interim basis for SEMI direct medical services provided pursuant to an IEP or IFSP according to a fixed fee schedule. SEMI providers must maintain organized and confidential documentation regarding the services provided, including written orders; session notes; and students’ IEP.

On an annual basis a district-specific cost reconciliation and cost settlement for all over and under payments will be processed.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Services

Reimbursement described on this page will apply through June 30, 2024.

C. Data Capture for the Cost of Providing Health-Related Services

Data capture for the cost of providing health-related services will be accomplished utilizing the following data sources:

1. 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. SEMI cost reports received from LEAs in the State of New Jersey, inclusive of the Allowable cost categories defined in paragraphs D.1 and D.2 of this section;
 - b. New Jersey Department of Education (NJ DOE) Unrestricted Indirect Cost Rate (UICR);
 - c. Random Moment Time Study (RMTS) Activity Code 1200 (Direct Medical Services) and Activity Code 3100 (General Administration):
 - i. Direct medical RMTS percentage;
 - d. LEA specific Medicaid IEP Ratios.

D. Data Sources and Cost Finding Steps

The following provides a description of the data sources and steps to complete the cost finding and reconciliation:

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 using 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 LEAs under Attachment 3.1 A of the State Plan. 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 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 private schools and special LEAs. 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.

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Reimbursement for Services

Reimbursement described on this page will apply through June 30, 2024.

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

a. Direct Medical Services

Cost pool for allowable providers consists of:

- i. Salaries;
- ii. Benefits;
- iii. Medically-related purchased services; and
- iv. Medically-related supplies and materials
- v. Out of District provided health related services

b. Contracted Service Costs

Contracted service costs represent the costs incurred by the LEA for IEP direct medical services rendered by a contracted service provider. Total contracted service costs are inclusive of only those costs for the provision of IEP direct medical services.

Total contracted service costs are reduced by the applicable revenue offsets, and further reduced by the application of the LEA IEP Ratio in order to determine the Medicaid IEP direct medical service contract costs.

c. New Jersey Department of Education Approved Private Schools for Students with Disabilities (APSSD) Tuition Costs

APSSDs focused on special education and rehabilitation are heavily regulated and monitored by New Jersey Department of Education (NJDOE) for fiscal and program excellence. Tuition is set annually by NJDOE. Tuition rates are based on a set of costs that NJDOE deems to be allowable. Any cost that is not allowable cannot be counted toward tuition. Tuition costs represent the costs incurred by the LEA for a student placed in an out-of-district (APSSD and special LEA) setting. Tuition costs will be reflective of only those costs related to the provision of IEP direct medical services. The health-related portion of the tuition costs will be determined through the application of a health related tuition percentage (H RTP) to the annual tuition costs reported by the LEA.

The H RTP will be specific to each out of district provider and will be calculated annually based on annual financial reports. The H RTP is applied to all reported tuition costs to calculate the health-related tuition payments. Each APSSD's H RTP is calculated by dividing the sum of all health-related costs (health workers salaries) by the total expenditures/appropriations. The reports used in calculating

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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the health related tuition percentage will be those from the most current, complete year available.

2. Indirect Costs: Indirect costs are determined by applying the LEA specific unrestricted indirect cost rate to the Direct Medical Service Costs, defined in paragraph D.1.a, following the application of the Direct Medical Service Time Study Percentage, defined in paragraph D.3. New Jersey public LEAs use predetermined fixed rates for indirect costs. New Jersey Department of Education (NJDOE) has in cooperation with the United States Department of Education (ED), developed an indirect cost plan to be used by public LEAs. Pursuant to the authorization in 34 CFR 75.561(b), New Jersey Department of Education (NJ DOE), as the cognizant agency, approves unrestricted indirect cost rates in cooperation with the ED. The indirect cost rates are reviewed and updated annually. 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.

When a NJ DOE calculated unrestricted indirect cost rate is not available, LEAs will use a flat 10% indirect cost rate. LEAs with a NJ DOE calculated unrestricted indirect cost rate must use the calculated rate and cannot choose the flat 10% indirect cost rate.

3. Time Study: A CMS-approved time study is used to determine the percentage of time that medical service personnel spend on direct medical services, general and administrative or non-productive 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 one cost pool for Direct Medical Services. The Direct Medical Service time study percentage for the Direct Medical Service cost pool will be applied only to those costs associated with direct medical services.
4. IEP Ratio Determination: A district-specific IEP Ratio will be established for each participating LEA. When applied, this IEP Ratio will discount the Direct Medical cost pool by the percentage of IEP Medicaid students.

The IEP ratio will be based on child count reporting required for IDEA on the first of December of the Fiscal Year for which the report is completed. The names and birthdates of students with a health related IEP will be identified from the December 1st Count Report and matched against the Medicaid eligibility file to determine the percentage of those that are enrolled in and eligible for Medicaid. The numerator will be the number of Medicaid enrolled IEP students in the LEA with a SEMI covered

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service in their IEP who received Medicaid services, and the denominator will be the total number of students in the LEA with an IEP. The IEP ratio will be calculated for each LEA participating in SEMI on an annual basis using student count data from the NJ SMART data warehouse as of the 1st of December for the fiscal year for which the cost report is completed.

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.

E. Certification Process

Each provider certifies on an annual basis, through its cost report, 100% of their total actual, incurred allowable cost/expenditures, including the federal share and non-federal share. Certification is conducted on an annual basis.

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.

F. Annual Cost Report Process

Each provider will complete an annual cost report for all school health services delivered during the previous state fiscal year covering July 1 through June 30. The cost report is due on or before December 31st of the same year as the reporting period. The primary purposes of the cost report are to:

1. School-based rehabilitative services as school-based health services document the provider's total CMS-approved, Medicaid allowable scope of costs for delivering school-based rehabilitative services, including direct costs and indirect costs, based on CMS-approved cost allocation methodology procedures; and
2. School-Based Rehabilitative Services Cost Reports as SEMI Cost Reports reconcile its interim payments to its total CMS-approved, Medicaid-allowable scope of costs based on CMS-approved cost allocation methodology procedures.

The annual School-Based Rehabilitative Services Cost Report includes a certification statement to be completed, certifying the provider's actual, incurred costs/expenditures. All filed annual Cost Reports are subject to a desk review by the Department of Human Services (DHS), Division of Medical Assistance and Health Services (DMAHS) or its designee.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Reimbursement for Services

Reimbursement described on this page will apply through June 30, 2024.

G. The Cost Reconciliation Process

The cost reconciliation process must be completed within twenty-four months of the end of the reporting period covered by the annual Cost Report. There will be separate settlements for every Medicaid provider. The total Medicaid allowable scope of costs based on cost allocation methodology procedures are compared to the provider's Medicaid interim payments for school health services delivered during the reporting period as documented in the Medicaid Management Information System (MMIS), resulting in a cost reconciliation. The results of the cost reconciliation and cost settlement process will be documented on the CMS-64 for the purpose of supporting the claim for federal financial participation.

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

H. The Cost Settlement Process

For services delivered for a period covering July 1st through June 30th, the annual SEMI Cost Report is due on or before December 31st of the same year.

If a provider's interim payments exceed the actual, certified costs of the provider for school-based health services to Medicaid clients, the provider will return an amount equal to the overpayment. Overpayments will be recouped within one year of the identification of the overpayment.

DMAHS shall issue a notice of interim settlement that denotes the amount due to or from the provider. DMAHS shall also issue a notice of final settlement that denotes the final amount due to or from the provider upon completion of the final cost reconciliation.

- J. Awareness of Federal Audit and Documentation Regulations: The State Medicaid agency and any contractors used to help administer any part of the SEMI program are aware of federal regulations listed below for audits and documentation, and will provide documentation needed to support SEMI claims:
- a. 42 CFR 431.107 Required provider agreement*
 - b. 45 CFR 447.202 Audits*
 - c. 45 CFR 75.302 Financial management and standards for financial management systems*