

## **Table of Contents**

**State/Territory Name: UT**

**State Plan Amendment (SPA) #: 24-0004**

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**

January 17, 2025

Jennifer Strohecker  
State Medicaid Director  
Division of Integrated Healthcare  
Utah Department of Health & Human Services  
P O Box 144102  
Salt Lake City UT 84114-4102

Dear Director Jennifer Strohecker,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Utah State Plan Amendment (SPA) to Attachment 4.19-B TN: #24-0004, which was submitted to CMS on July 29, 2024. This plan amendment proposes an update to clarify eligible staff and steps for total reimbursement of School Based Services.

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, 2024. 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 Matthew Klein at 214-767-4625 or via email at [matthew.klein@cms.hhs.gov](mailto:matthew.klein@cms.hhs.gov)

Sincerely,

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

Todd McMillion  
Director  
Division of Reimbursement Review

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 4 — 0 0 0 4

2. STATE

UTAH3. 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

July 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION

Section 1902(a)(30)(A) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024\$ 0b. FFY 2025\$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Pages 29(a)(5) through 29(a)(7) of ATTACHMENT 4.19-B8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)Pages 29(a)(5) through 29(a)(7) of ATTACHMENT 4.19-B

9. SUBJECT OF AMENDMENT

School-Based Payments and Services

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

12. TYPED NAME

Tracy S. Gruber

13. TITLE

Executive Director, Utah Dept of Health and Human Services

14. DATE SUBMITTED

July 29, 2024

15. RETURN TO

Craig Devashrayee

Utah Department of Health &amp; Human Services

Division of Integrated Healthcare

cdevashrayee@utah.gov

**FOR CMS USE ONLY**

16. DATE RECEIVED

07/29/2024

17. DATE APPROVED

January 17, 2025**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

07/01/2024

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

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MEDICALLY NECESSARY SERVICES NOT OTHERWISE PROVIDED UNDER THE STATE PLAN BUT AVAILABLE TO EPSDT (CHEC) ELIGIBLES (Continued)

- Audiologist;
- Audiologist Aide;
- Certified Occupational Therapy Assistant (COTA);
- Licensed Practical Nurse;
- Occupational Therapist;
- Occupational Therapy Aide;
- Orientation and Mobility Specialist;
- Physical Therapist;
- Physical Therapy Assistant (PTA);
- Psychologist;
- Registered Nurse;
- School Counselor;
- School Social Worker;
- School Psychologist;
- School Hearing Specialist;
- Speech Language Pathologist;
- Speech Language Pathology Aide;
- Vision and Hearing Aide

- b. The second cost pool is the Other Direct Service cost pool and includes staff that primarily provide personal care and behavior services. These individuals are also eligible to bill direct medical services. Eligible positions included in this cost pool are:

- Paraprofessional

- c. The third cost pool is the Administrative Outreach Personnel cost pool and includes individuals whose primary duties are administrative in nature. These individuals are not eligible to bill direct medical services. Staff included in the cost pool are not included on the annual cost report and the time study results for this cost pool are not included as part of any calculations for the annual cost reconciliation and cost settlement process. Examples of staff that are eligible to be included in this cost pool are:

- Administrators;
- Diagnosticians;
- Interpreters and Interpreter Assistants;
- Program Specialists;
- Pupil Support Services Administrators;
- Pupil Support Services Technicians;
- Special Education Administrators;
- Special Education Teachers;
- Special Education Coordinators;
- School Bilingual Assistants

To ensure non-duplication of costs, LEAs are instructed that costs from accounting codes that are used in the calculation of the unrestricted indirect cost rate are not to be included in the reported expenditures on the annual cost report.

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MEDICALLY NECESSARY SERVICES NOT OTHERWISE PROVIDED UNDER THE STATE PLAN BUT  
AVAILABLE TO EPSDT (CHEC) ELIGIBLES (Continued)

- d. Staff cannot be included in more than one cost pool. If an individual performs job duties that correspond to more than one cost pool, the individual must be added to the cost pool that corresponds with their primary job responsibilities.
  - e. Participants from all cost pools complete RMTS for all regular school days, with a precision level of +/- 5% and a 95% confidence level.
  - f. The SDS RMTS sampling periods comprise of the following three periods:
    - i. Sample Period 1: Mid-August-December 31<sup>st</sup>
    - ii. Sample Period 2: January 1-June 30
    - iii. Sample Period 3: July 1-Mid-August
  - g. The RMTS will generate two Direct Medical Services time study percentages; one for Direct Medical Service Cost Pool and one for the Other Direct Service Cost Pool. Each Direct Medical Services time study percentage will be statewide averages. The direct medical services costs and time study results must be aligned to ensure proper cost allocation.
4. Medicaid IEP Ratio Determination: A Medicaid ratio will be established for each participating LEA. 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 Medicaid IEP Ratio will be used in the calculation of the Medicaid Direct Medical Service costs pursuant to an IEP. The names, gender, and birthdates of students with an IEP identifying a covered service will be identified from the December 1 Count Report and matched against the Medicaid enrollment file to determine the percentage of those that are enrolled for Medicaid. The numerator of the rate will be the number of Medicaid enrolled students with an IEP identifying a covered service and the denominator will be the total number of students with an IEP identifying a covered service. The IEP ratio will be calculated for each LEA participating in the SDS program on an annual basis. The IEP MER represents 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) in the numerator and the total number of students with an IEP (which should all be verifiable in an audit) in the LEA (or other claiming entity) as the denominator. The Utah Department of Health and Human Services maintains the student files and match used to calculate the rates for audit purposes.
5. Contracted costs: LEAs can include contracted service costs for contracted clinicians that were included on the Staff Pool List for the RMTS process. The contracted service costs represent the amounts charged to the LEA by the contractor or contracting agency and may include the costs associated with the clinician and any overhead incurred by the contractor that is charged back to the LEA. This cost does not include any overhead or other indirect costs incurred by the LEA to support the contracted clinician.

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MEDICALLY NECESSARY SERVICES NOT OTHERWISE PROVIDED UNDER THE STATE PLAN BUT AVAILABLE TO EPSDT (CHEC) ELIGIBLES (Continued)

- a. Contracted service costs for direct medical services will be a separate line item in the cost report with the application of the LEA's Unrestricted Indirect Cost Rate, and the LEA's allocation using the Medicaid IEP Ratio.
  - b. Contracted service costs for direct medical services and administrative services are part of the RMTS and the allocation to direct medical and administrative percentages, the LEA's Unrestricted Indirect Cost Rate, and the LEA's allocation using the Medicaid IEP Ratio.
  - c. The LEA's Unrestricted Indirect Cost Rate is applied to contracted service costs to reflect the overhead and administrative costs incurred by the LEA to support the contracted service clinician and are non-duplicative of any agency indirect costs charged to the LEA by the contractor.
6. Total Medicaid Reimbursable Cost: The following steps will result in a total Medicaid reimbursable cost for each LEA for Direct Medical Services.
- Step 1. The Direct Service Personnel Costs (Salaries + Fringe Benefits + Contract Costs) will be added to the Direct Service Non-Personnel Costs (Materials and Supplies + Depreciation) to determine the Total Direct Services Costs.
- Step 2. The Total Direct Services Costs will then be multiplied by the Direct Medical Services Percentage (as determined by the RMTS and applied to the 2 Direct Medical cost pools on a statewide basis) to determine the Total Direct Medicaid Services Costs.
- Step 3. The Total Direct Medical Services Costs will be multiplied by the Unrestricted Indirect Cost Rate to determine the total Indirect Costs.
- Step 4. The Direct Medical Services Costs will be added to the Indirect Costs to determine the Total Allowable Costs.
- Step 5. The Total Allowable Costs will be multiplied by the Medicaid Enrollment IEP Ratio (calculated by each LEA) to determine the Total Medicaid Reimbursable Costs.
- Step 6. Reconciliation process: The Total Medicaid Interim Payments will be subtracted from the Medicaid Reimbursable Costs to equal the Total Cost Settlement.
- Step 7. Balancing process: Each LEA account will be balanced to address overpayment or underpayment. A balance payment will be issued to each LEA in an underpayment status and each LEA in an overpayment status will be invoiced for the balance.

Federal Auditing and Documentation Requirements and any contractors used to help administer any part of the school services program are aware of federal regulations listed below for audits and documentation:

- i. 42 CFR § 431.107 Required provider agreement.
- ii. 42 CFR § 447.202 Audits.
- iii. 45 CFR § 75.302 Financial management and standards for financial management systems.

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T.N. # 24-0004

Approval Date January 17, 2025

Supersedes T.N. # 21-0019

Effective Date 7-1-24