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State/Territory Name:OR

State Plan Amendment (SPA) #: 19-0011

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
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group/ Division of Reimbursement Review

May 18, 2023

Dana Hittle, Director
Oregon Health Authority
500 Summer Street Northeast, E-15
Salem, Oregon 97301-1079

RE: TN 19-0011

Dear Mrs. Hittle:

We have reviewed the proposed Oregon state plan amendment (SPA) to attachment 4.19-B of your state plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 19, 2019. This SPA adds specialized transportation to school-based rehabilitative services and increases reimbursement for students covered under the Individuals with Disabilities Education Act (IDEA). IDEA requires public education to provide health related services to eligible children with disabilities attending school pursuant to an Individualized Education Program (IEP) and/or Individualized Family Service Plan (IFSP).

Based upon the information provided by the state, we have approved this amendment with an effective date of October 1, 2019. 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 James Moreth at 206-615-2043 or James.Moreth@cms.hhs.gov.

Sincerely,

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

Todd McMillion Director
Division of Reimbursement Review

Enclosures cc:

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

1. TRANSMITTAL NUMBER <u>1 9</u> — <u>0 0 1 1</u>	2. STATE <u>OR</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

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

4. PROPOSED EFFECTIVE DATE
10/1/19

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 440.130

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2020 \$ 5,992,472
b. FFY 2021 \$ 5,992,472

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B, pages 2-a thru 2-g


8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
**Attachment 3.1-A, page 6-e.1 thru 6-e.5
Attachment 4.19-B, pages 2-a thru 2-d and NEW pages 2-e thru 2-g**

9. SUBJECT OF AMENDMENT
This transmittal is being submitted to make some technical revisions, allow additional medically-qualified staff, and revisions that better align with cost categories under the CFRs. The cost method is the same using prior year audited costs reported to ODE annually plus ODE approved indirect rate to determine hourly cost for each area of discipline for services provided in school setti

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
Dana Hittle

13. TITLE
Medicaid Director

14. DATE SUBMITTED
12/17/19

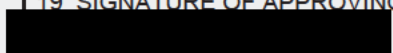
15. RETURN TO
**Oregon Health Authority
Medical Assistance Programs
500 Summer Street NE E-65
Salem, OR 97301**

ATTN: Jesse Anderson, State Plan Manager

FOR CMS USE ONLY

16. DATE RECEIVED 12/17/19	17. DATE APPROVED May 18, 2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion	21. TITLE OF APPROVING OFFICIAL Director, DRR

22. REMARKS
State authorized p&i changes to boxes 4, 7, 8 and 9.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: OREGON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

4.b. EPSDT- School-Based Health Services cost based methodology for services provided by local education agencies (LEA).

A. Local Education Agencies (LEAs) that elect to participate are reimbursed for certain health care services on a prior year audited cost basis. These services are:

1. Audiology Services
2. Behavioral Health Services
3. Dental Health Services
4. Diagnostic, screening, preventive, developmental and rehabilitative services
5. Nursing Services
6. Nurse Practitioner Services
7. Nutritional Health Services
8. Occupational Therapy Services
9. Personal Care Services
10. Physical Therapy Services
11. Physician Services
12. Respiratory Therapy Services
13. Specialized Transportation Services
14. Speech-Language pathology Services

All costs described within this methodology are for health care services provided by qualified personnel or qualified health care professionals who have been approved under Attachments 3.1-A and 3.1-B of the Medicaid State Plan.

LEAs in Oregon will be paid for the above listed services on a rate based on the previous year costs as described below for the following services, and updated annually based on the previous year's final audited cost reports per LEA:

- Medicaid eligible services identified in:
 - An Individualized Education Program (IEP);
 - An Individualized Family Service Plan (IFSP);
 - Other Medical Plans of Care:
 - A Section 504 plan;
 - Any other documented individualized health or behavioral health plan or as otherwise determined medically necessary otherwise.

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

4.b. EPSDT- School-Based Health Services cost based methodology for services provided by local education agencies (LEA).

B. Direct Medical Payment Methodology:

LEAs will be reimbursed on a cost basis using audited financial information from the Oregon Department of Education (ODE). The audits are performed annually by each LEA and reported to the ODE. Data Capture for the Cost of Providing Health-Related Services is the total direct and indirect costs captured utilizing the SBHS Medicaid Cost calculation worksheet received from each LEA. The units of service are defined by each Health Insurance Portability and Accountability Act (HIPAA) compliant current procedural terminology (CPT) or Healthcare Common Procedure Coding System (HCPCS) code.

C. Data Sources and Cost Finding Steps:

The following provides a description of the data sources and steps to complete the cost per service category.

1. Allowable Cost classifications:

Direct, Indirect, Excluded, and Unallowed costs

- Direct costs are those costs that can be identified or allocated specifically to a particular cost objective – For SBHS these cost objectives are the health-related service categories/disciplines specified on a child/students plan of care required by IDEA, the Rehabilitation Act of 1973, or are otherwise medically necessary.
- Indirect costs are costs that are identified as Common or joint purpose benefiting more than one cost objective and cannot be identified or allocated specifically to a particular cost objective for health-related services specified on a child/students plan of care leveraging Medicaid for SBHS.
- Unallowed Costs identified CANNOT be charged to federal awards & included only for purposes of ODE calculating the LEA's indirect rate
- Excluded Costs identified are Not included in ODE calculation of the LEA's indirect rate

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

4.b. EPSDT- School-Based Health Services cost based methodology for services provided by local education agencies (LEA).

a. Direct costs for direct medical services include unallocated payroll costs and other allocated costs attributable to a budgeted specific service category/discipline that can be directly charged to direct medical services using 2 CFR 200 Subpart E cost principals and 45 CFR 75 as implemented by HHS. Direct payroll costs include total compensation (salaries, benefits, and medical supplies and contract compensation) of direct services personnel listed in the descriptions of the covered Medicaid services delivered by LEAs. These direct costs are calculated on a LEA-specific level. Costs for transportation personnel are reported as defined in Section E).

b. Indirect costs are determined by applying the specific LEAs Unrestricted Indirect Cost Rate (UICR) established for the current year by the cognizant federal agency. The Oregon Department of Education is the cognizant agency for LEAs and approves UICR cost rates. LEAs are not permitted to certify indirect costs that are outside their UICR. The indirect cost rate is calculated from costs that are not included in the allowable reported expenditures so there is no duplication of costs.

D. Calculation of Costs Associated with Direct Medical Services:

This is a cost-based methodology using previous year's settled cost reports to develop prospective rates for each LEA participating in the school-based services program on a per minute basis for each of the following school-based providers:

1. Audiology Services
2. Behavioral Health Services
3. Dental Health Services
4. Diagnostic, screening, preventive, developmental and rehabilitative services
5. Nursing Services
6. Nurse Practitioner Services
7. Nutritional Health Services
8. Occupational Therapy Services

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9. Personal Care Services
10. Physical Therapy Services
11. Physician Services
12. Respiratory Therapy Services
13. Specialized Transportation Services
14. Speech-Language pathology Services

The cost-based rates are developed using 100% of the costs based on the previous year's final audited cost report.

The costs developed for the individual School-Based Health Services (SBHS) listed at (A) above is based on the financial data from each individual local education agency's (LEA) prior year, actual audited expenditures/costs for direct costs including: salaries, benefits, and medical supplies and indirect costs: using the UICR. The Oregon Department of Education (ODE) requires annual cost reporting for each individual LEA. These annual cost reports are used with the cost worksheets developed and approved by the Oregon Health Authority (OHA) for establishing each individual LEA's actual costs attributable to each service discipline. The Medicaid Cost Calculation worksheet is used to develop a cost per/minute for each type of Medically qualified staff (as listed above). Oregon utilizes each LEA's actual audited expenditures allocated to each service/discipline, captured using budget codes outlined in Oregon's Program Budget and Accounting Manual (PBAM) from the prior year required to be reported annually to the ODE by December 31st.

The source of this financial data is based on each LEA's annually ODE reported prior year audited expenditures incurred for each service category/discipline listed above and identified in accordance with ODE Program Budget Accounting Manual (PBAM) chart of accounts kept at the LEA level. The chart of accounts are accessible to auditors.

The ONLY costs/time billed to Medicaid are for those minutes where treatment is provided and supporting documentation for actual service time in minutes is completed and maintained for children/students who are enrolled Medicaid recipients under the plans of care described above. The cost computation includes only those costs directly attributable to SBHS per discipline are included.

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Each LEA's per minute costs are established using the LEA's prior year audited costs reported annually to ODE and billed to Medicaid on a Fee-For-Service (FFS) basis and are kept by OHA Medicaid policy for monitoring and auditing purposes for the amount(s) billed by the LEA.

If an LEA does not have full prior year actual costs to establish a per minute rate for a SBHS discipline billable to Medicaid, they will use a cost methodology for the first year, until a cost-based rate can be established. The LEA may establish a rate based on actual costs expended in the current school fiscal (SFY) year.

The Oregon State Medicaid agency and any contractors used to help administer any part of the school-based services program are aware of federal regulations listed below for audits and documentation, and will provide documentation needed to support school-based services 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

E. Specialized Transportation Services Payment Methodology

- A. LEAs will be reimbursed for specialized transportation services on a cost-based reimbursement methodology per 1-way trip using the Medicaid SBHS Cost Calculation Worksheet. Costs are determined utilizing the following factors: total cost of special education transportation determined by the direct costs (as described in section B, below), the application of the UICR, the percentage of Medicaid enrolled students receiving specialized transportation on their IEP/IFSP from the total IDEA students receiving specialized transportation on their IEP/IFSP, and the total number of Medicaid IDEA specialized transportation IEP/IFSP one-way trips. (All special education transportation costs utilized, are prior year actual audited expenditures/costs and are not regular education costs.).

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Transportation to and from school may be claimed as a Medicaid service when the following conditions are met:

- 1) Specialized transportation is specifically listed in the IEP/IFSP as a required service;
- 2) The child requires specialized transportation in a vehicle adapted to serve the needs of an individual with a disability;
- 3) A Medicaid eligible service is provided on the day that the specialized transportation is billed; and
- 4) The service billed only represents one-way trip(s) for specialized transportation for a Direct Medical Service listed in the IEP/IFSP.

B. Transportation costs included on the SBHS Cost Calculation worksheet will only include those personnel and non-personnel costs associated with specialized transportation. The Cost Calculation worksheet includes the following direct costs:

1. Bus Drivers/Aides
2. Mechanics/Mechanic Assistant
3. Substitute Drivers
4. Fuel/Oil
5. Repairs & Maintenance
6. Lease/Rentals
7. Insurance Costs
8. Contracted Professional Transportation Services and/or Equipment
9. Depreciation of specialized transportation equipment >\$5000

TN 19-0011

Approval Date: May 18, 2023 Effective Date: 10/01/19

Supersedes TN NEW

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In the rare instance, that an LEA does not have previous year transportation trip logs to determine the number of actual one-way trips required to determine the denominator in the transportation cost methodology, the LEA must use the most conservative method for identifying the total number of possible one-way trips. This conservative alternate trip computation may be used once only and is as follows: Multiply the total number of IDEA Medicaid enrolled students with medically necessary transportation specified on their IEP plan by the maximum total number of school days in session multiplied by 2 daily trips to determine the total number of trips.

Example: 20 Medicaid enrolled students w/Medically necessary transportation on their IEP x 170 calendar school days x 2 trips per day (from home to place of Medicaid covered service and from place of service to home) = 6800 total trips

The source of this financial data is based on each LEA's prior year audited expenditures incurred for specialized transportation and identified in accordance with ODE Program Budget Accounting Manual (PBAM) chart of accounts kept at the LEA level and reported to the Oregon Department of Education annually.