

4.b. **Early and periodic screening, diagnosis and treatment services for individuals under 21 years of age, and treatment of conditions found. --- (Continued)**

Effective Date: 04/01/90

- (4) Hearing Services. Periodic hearing services shall include at least one comprehensive audiological test each calendar year. Additional subjective screenings and interperiodic examinations are available as needed when medically necessary to diagnose, ameliorate and treat defects in hearing.

Effective Date: 01/01/92

- (5) Unlimited coverage is provided for medically necessary health care, diagnostic, treatment and/or other measures which are necessary to correct or ameliorate defects, physical and mental illnesses and conditions discovered during or as a result of an EPSDT screening, whether or not such services exceed benefit limits stated in the State Plan. The following services are covered under the State plan if provided as a result of an EPSDT referral: chiropractic, Christian Science, occupational therapy, physical therapy, podiatry, private duty nursing, psychology, speech-language-hearing therapy and transplants (heart-lung, pancreas-kidney and lung), air ambulance, and personal care services.

Effective Date: 01/01/90

- (6) Eyeglasses. One pair of glasses per calendar year is authorized for recipients eligible for treatment under the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. Additional eyeglasses may be provided when medically necessary and supported by medical documentation.

Effective Date: 10/01/91

- (7) Adolescent Pregnancy Prevention educational services are performed only by a qualified provider to non-pregnant recipients of child bearing age who are eligible for treatment under the Early and Periodic Screening Diagnosis and Treatment (EPSDT) Program, regardless of sex or previous pregnancy. There is no limit on the number of visits.

Effective Date: 04/01/2012

- (8) Medicaid Services Provided in Schools - Individuals receiving Medicaid services in schools have freedom of choice of qualified licensed providers as established in 1902(a)(23) of the Act. Individuals also have the right to receive Medicaid services outside of the school setting.

TN No. AL-12-003

Supersedes

TN No. AL-94-9

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103.5.1 Audiology Services

Service Description: Audiology services documented in the IEP include, but are not limited to evaluations, tests, tasks and interviews to identify hearing loss in a student whose auditory sensitivity and acuity are so deficient as to interfere with normal functioning.

Professional Qualifications:

Audiology services must be provided by:

- A qualified audiologist who meets the requirements of, and in accordance with, 42 CFR §440.110(c), and other applicable state and federal law or regulation;
- A licensed/certified audiology assistant when the services are provided in a school setting and when these providers are acting under the supervision or direction of a qualified Audiologist in accordance with 42 CFR §440.110 and other applicable state or federal law.

103.5.2 Occupational Therapy

Service Description: Occupational Therapy services documented in the IEP include, but are not limited to:

1. Evaluation of problems which interfere with the student's functional performance
2. Implementation of a therapy program or purposeful activities which are rehabilitative, active or restorative as prescribed by a licensed physician.

These activities are designed to:

- a. improve, develop or restore functions impaired or lost through illness, injury or deprivation,
- b. improve ability to perform tasks for independent functioning when functioning is impaired or lost,
- c. prevent, through early intervention, initial or further impairment or loss of function,
- d. correct or compensate for a medical problem interfering with age appropriate functional performance.

Professional Qualifications:

- Must be licensed by the Alabama State Board of Occupational Therapy and meet the requirements of, and in accordance with, 42 CFR §440.110(b);
- Occupational therapy assistants may assist in the practice of occupational therapy only under the supervision of an OT. Occupational therapy assistants must have an Associate of Arts degree and must be licensed by the Alabama State Board of Occupational Therapy. Supervision of certified OT assistants must include one-to-one on-site supervision at least every sixth (6th) visit. Each supervisory visit must be documented and signed by the OT making the visit.

All services must be performed within the scope of services as defined by the licensing board.

103.5.3 Physical Therapy

Service Description: Physical Therapy services documented in the IEP include, but are not limited to:

1. Evaluations and diagnostic services
2. Therapy services which are rehabilitative, active, restorative. These services are designed to correct or compensate for a medical problem and are directed toward the prevention or minimization of a disability, and may include:
 - a. developing, improving or restoring motor function
 - b. controlling postural deviations
 - c. providing gait training and using assistive devices for physical mobility and dexterity
 - d. therapeutic exercises and procedures.

Professional Qualifications: Must be licensed by the Alabama Board of Physical Therapy and meet the requirements of, and in accordance with, 42 CFR §440.110(a). Physical therapy assistants may provide services only under the supervision of a qualified physical therapist. PT assistants must be licensed by the Alabama Board of Physical Therapy. Supervision of licensed PT assistants must include one-to-one on-site supervision at least every sixth (6th) visit. Each supervisory visit must be documented and signed by the PT.

All services must be performed within the scope of services as defined by the licensing board.

103.5.4 Counseling Services

Service Description:

Counseling services are available to Medicaid-eligible recipients under the age of 21 years, who are eligible for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT), and for whom the services are medically necessary. Medically necessary EPSDT services are health care, diagnostic services, treatment, and other measures described in section 1905(a) of Title XIX of the Social Security Act and, 42 CFR 440.130, that are necessary to correct or ameliorate any defects and physical and mental illnesses and conditions. These services are intended for the exclusive benefit of the Medicaid eligible child, documented in the IEP, and include but are not limited to:

1. Services may include testing and/or clinical observations as appropriate for chronological or developmental age. Such services are provided to:
 - a. Assist the child and/or parents in understanding the nature of the child's disability;
 - b. Assist the child and/or parents in understanding the special needs of the child;
 - c. Assist the child and/or parents in understanding the child's development
2. Health and behavior interventions to identify the psychological, behavioral, emotional, cognitive, and social factors important to the prevention, treatment, or management of physical health problems. Qualified professionals may incorporate the following examples as a form of service. These examples are also recognized by the American Psychological Association as a therapeutic form of service. Qualified providers can determine the type of modalities that can be utilized based on the condition and treatment requirements of each individual and are not limited to these examples.
 - A. Cognitive Behavior Modification- This is a therapeutic approach that combines the cognitive emphasis on the role of thoughts and attitudes influencing motivations and response with the behavioral emphasis on changing performance through modification of reinforcement contingencies.
 - B. Rational-emotive therapy- A comprehensive system of personality change based on changing irrational beliefs that cause undesirable, highly charged emotional reactions such as severe anxiety.

C. Psychotherapy- Any of a group of therapies, used to treat psychological disorders, that focus on changing faulty behaviors, thoughts, perceptions, and emotions that may be associated with specific disorder. Examples include. individual interactive psychotherapy using play equipment, physical devices, language interpreter or other mechanisms of non-verbal communication, family therapy and sensory integrative therapy.

3. Assessing needs for specific counseling services.

Professional Qualifications:

Counseling services may be provided by:

- Licensed Psychologist;
- Licensed Psychological Associate;
- Licensed Certified Social Worker;
- Licensed Marriage and Family Therapist;
- Licensed Professional Counselor;
- Licensed Psychiatrist
- Registered nurse who has completed a master's degree in psychiatric nursing;
- Licensed School Psychologist when the services are provided in a school setting; or
- Licensed Specialist in School Psychology when the services are provided in a school setting.

103.5.5 Personal Care Services

Service Description:

EPSDT services are health care, diagnostic services, treatments, and other measures necessary to correct or ameliorate defects and physical and mental illnesses and conditions.

Personal care services are support services furnished to a client who has physical, cognitive, or behavioral limitations related to the client's disability or chronic health condition that limit the client's ability to accomplish activities of daily living (ADLs), instrumental activities of daily living (IADLs), or health-related functions. Personal care services provided to students on specialized transportation vehicles are covered under this benefit. Services must be authorized by a physician in accordance with a plan of treatment or (at the State's option) in accordance with a service plan approved

by the State. Personal care services may be provided in an individual or group setting, and must be documented in the IEP/IFSP.

Professional Qualifications:

Individuals providing personal care services must be a qualified provider in accordance with 42 CFR 5 440.167, who is 18 years or older, has a high school diploma or GED, and has been trained to provide the personal care-services required by the client. Training is defined as observing a trained employee on a minimum of three patients and verbalization of understanding the personal care service. When competence cannot be demonstrated through education and experience, individuals must perform the personal assistance tasks under supervision.

Personal care services will not be reimbursed when delivered by someone who is a legally responsible relative or guardian. Service providers include: individual attendants, attendants employed by agencies that meet the state requirements. Special education teachers and special education teacher's aides can qualify as personal care worker. They must demonstrate the services they are providing meet the personal care service definition that the personal care service is documented in the IEP, and their services are to assist the student is accomplishing ADL and IADL and not activities that support education or instruction.

103.5.6 Speech/Language Services

Service Description: Speech/language therapy services documented in the student's IEP include, but are not limited to:

1. Diagnostic services
2. Screening and assessment
3. Preventive services
4. Corrective services

Speech therapy services may be provided in an individual, group or family setting. The number of participants in the group should be limited to assure effective delivery of service.

Professional Qualifications:

Speech and language services must be provided by:

- A qualified speech/language pathologist (SLP) who meets the requirements of, and in accordance with, 42 CFR §440.110(c), and other applicable state and federal law or regulation;
- American Speech-Language-Hearing Association (ASHA) certified SLP with Alabama license and ASHA-equivalent SLP (i.e., SLP with master's degree and Alabama license) when the services are provided in a school setting; or
- A provider with a state education agency certification in speech language pathology or a licensed SLP intern when the services are provided in a school setting and when these providers are acting under the supervision or direction of a qualified SLP in accordance with 42 CFR §440.110 and other applicable state or federal law.

All services must be performed within the scope of services as defined by the licensing board.

103.5.7 Nursing Services

Service Description:

Nursing services outlined in this section of the state plan are available to Medicaid eligible recipients under the age of 21 years, who are eligible for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services and for whom the service is medically necessary, and these services must be documented in the IEP/IFSP.

Nursing services are defined as the promotion of health, prevention of illness, and the care of ill, disabled and dying people through the provision of services essential to the restoration of health.

Professional Qualifications:

The Licensed Practical Nurse and Registered Nurse shall be licensed by the State of Alabama to provide the services and practice within the Alabama Board of Nurse Examiners. Nursing services must be provided by a qualified nurse who meets qualification requirements of, and in accordance with, 42 CFR 440.60 and, on a restorative basis, under 42 CFR 440.130(d), including services delegated in accordance with the Alabama Board of Nurse Examiners to individuals who have received appropriate training from a RN, including nursing services delivered by advanced practice nurses (APNs) including nurse practitioners (NPs) and clinical nurse specialists (CNSs), registered nurses (RNs), licensed vocational nurses (LVNs), licensed practical nurses (LPNs).

103.5.8 Specialized Transportation Services

Service Description:

Specialized transportation services include transportation to receive Medicaid approved school health services. This service is limited to transportation of covered, authorized services in an IEP or IFSP.

- 1) The special transportation is Medicaid reimbursable if:
 - a. It is provided to a Medicaid eligible EPSDT child who is a student in a public school in Alabama;

- b. It is being provided on a day when the child receives a prior authorized covered service;
 - c. The student's need for specialized transportation services is documented in the child's plan of care, IEP or IFSP; and
 - d. The driver has a valid driver's license
- 2) Specialized transportation services are defined as transportation that requires a specially equipped vehicle, or the use of specialized equipment to ensure a child is taken to and from the child's residence to school or to a community provider's office for prior authorized related services:
- a. Medical Services provided in School: Transportation provided by or under contract with the school, to and from the students place of residence, to the school where the student receives one of the health related services covered by Title XIX;
 - b. Medical Service provided off- site: Transportation provided by or under contract with the school from the students 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 the Title XIX;
 - i. Transportation from school to the offsite service and back to school is reimbursable. No home to school transportation is reimbursed when the ride is from school to the medical service and back to school.
 - ii. Transportation from school to the offsite medical service and to home is reimbursable if the offsite medical appointment takes place and it is not feasible to return to school in time for child to be transported back home.
- 3) 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 is 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.

- 4) In cases where Personal Care Services are provided as part of the Specialized Transportation Service for a student, the cost of this service is covered under the Personal Care Services benefit described in Section 103.5.5; provided that the personal care service provider meets the qualifications defined in this section.

m. School Based Services: Medicaid services provided in schools are services that are medically necessary and provided in schools to Medicaid recipients in accordance with an Individualized Education Program, (IEP) or an Individual Family Service Plan (IFSP). Covered services include the following:

1. Audiology Services
2. Occupational Therapy
3. Physical Therapy
4. Counseling Services
5. Personal Care Services
6. Speech/Language Services
7. Nursing Services
8. Transportation Services

For the purpose of making interim Medicaid payments to LEA providers, the Alabama Medicaid Fee Schedule will be applied to claims submitted to the Medicaid Management Information System (MMIS) for the above services. Except as noted otherwise in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Audiology Services, Occupational Therapy, Physical Therapy, Counseling Services, Personal Care Services, Speech/Language Services, and Nursing Services. The agency's fee schedule rate is in effect for services provided on or after 4/1/12. All rates are published at:

http://medicaid.alabama.gov/CONTENT/6.0_Providers/6.6_Fee_Schedules.aspx.

For transportation services, an interim rate will be determined based on a rate that represents the actual cost of providing the transportation service, upon final approval of the SPA and cost allocation plan

- (A). Direct Medical Services Payment Methodology:
Beginning with cost reporting period April 1, 2012, the Alabama Medicaid Agency will begin settling Medicaid reimbursement for direct medical services at cost for all Local Education Agencies (LEA's). This reimbursement at cost methodology will include a quarterly Random Moment Time Study, an annual cost report and reconciled settlement as well as quarterly interim settlements. The quarterly interim settlements for services will be based on the quarterly Random Moment Time Study and use of the interim cost reports compiled on a quarterly basis. However, for transportation services, Item (b) provides the transportation payment services methodology.

Effective for services provided on or after April 1, 2012 school based services will be reimbursed at cost according to this methodology described in the state plan.

To determine the Medicaid-allowable direct and indirect costs of providing direct medical services to Medicaid-eligible clients in the LEA, the following steps are performed:

1. Direct costs for direct medical services include unallocated payroll costs and other unallocated costs that can be directly charged to direct medical services. Direct payroll costs include total compensation of direct services personnel listed in the descriptions for the covered Medicaid services delivered by school districts. Other direct costs include costs directly related to the approved direct services personnel for the delivery of medical services, such as purchased services, direct materials, supplies, and equipment. Medical devices and equipment are only allowable for the provision of direct medical services. For items not previously approved, the LEA must use a pre-approval process to determine suitability, coverage, and reimbursement of medical supplies, material, and equipment. The following process must be followed by the schools at a minimum:
 - a) The medical device must be approved and effective (i.e., not experimental) and within the scope of the school based services shown as covered in the Medicaid state plan;
 - b) The use of the device must be determined suitable for the individual; and
 - c) The service or device must be approved by one of the covered medical professionals and reviewed by the Alabama Medicaid Agency.

These direct costs are accumulated on the annual cost report, resulting in total direct costs. The cost report contains the scope of the cost and methods for cost allocation that have been approved by the Centers for Medicare & Medicaid Services (CMS).

2. The net direct cost for each service is calculated by applying the direct medical services percentage from the CMS-approved time study to the direct cost in 1 above. A time study, which

incorporates a CMS-approved Random Moment Time Study methodology, is used to determine the percentage of time medical service personnel spend on IEP-related medical services, and general and administrative time. This time study will assure that there is no duplicate claiming relative to claiming for administrative costs.

3. Indirect costs are determined by applying the school district's specific unrestricted indirect cost rate to its net direct costs. Alabama public school districts use predetermined fixed rates to indirect costs. The State Department of Education (SDE) is the cognizant agency for the school districts, and approves unrestricted indirect cost rates for 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.
4. Net direct costs and indirect costs are combined.
5. Medicaid's portion of total net costs is calculated by multiplying the results for Item 4 by the ratio of the total number of Medicaid covered children with IEPs and IFSPs by the total number of children with IEPs and IFSPs.

(B) Transportation Services Payment Methodology

Effective dates of services on or after April 1, 2012, providers will be paid on an interim cost basis. Providers will be reimbursed interim rates for school based health services, specialized transportation services at the lesser of the providers billed charges or the interim rate. On an annual basis, a cost reconciliation and cost settlement will be processed for all over and under payments.

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

- 1) Special transportation is specifically listed in the IEP as a required service;

- 2) A medical service is provided on the day that specialized transportation is provided; and
- 3) The service billed only represents a one-way trip

Transportation costs included on the cost report worksheet will only include those personnel and non-personnel costs associated with special education. The cost identified in the cost report includes the following:

- 1) Bus Drivers
- 2) Bus Aides/Monitors
- 3) Mechanics
- 4) Substitute Drivers
- 5) Fuel
- 6) Repairs and Maintenance
- 7) Rentals
- 8) Contract Use Cost
- 9) Vehicle Depreciation

The source of these costs will be audited Chart of Accounts data kept at the school district and the Department of Education level. The Chart of Accounts is uniform throughout the State of Alabama. Costs will be reported on an accrual basis.

- 1) A rate will be established and applied to the total transportation cost of the school system. This rate will be based on the *Total IEP/IFSP Special Education Department (SPED) Students in the District Receiving Transportation*. The result of this rate (%) multiplied by the *Total District or Department of Education Transportation Cost* for each of the categories listed above will be included on the cost report. It is important to note that this cost will be further discounted by the ratio of *Medicaid Eligible SPED IEP/IFSP One Way Trips* divided by the total number of *SPED IEP/IFSP One Way Trips*. This data will be provided from transportation logs. The process will ensure that only one way trips for Medicaid eligible Special Education children with IEP's are billed and reimbursed for.
- 2) Indirect costs are determined by applying the school districts specific unrestricted indirect cost rate to its net direct costs. Alabama school

systems use predetermined fixed rates for indirect costs. The State Department of Education is the cognizant agency for the school systems, and approves unrestricted indirect cost rates for the school systems 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.

3) Net Direct Costs and Indirect costs are combined.

(C). Certification of Costs Process:

On a quarterly basis, each provider 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.

(D). Cost Report Process:

For Medicaid services listed in Paragraph (a) 1-10 provided in schools during the state fiscal year, each LEA provider must complete the following:

1. Quarterly Interim Settlement Cost Report. This Interim Settlement Cost Report is due within 90 days from the close of a quarterly reporting period,
2. Annual Settlement Cost Report. An annual cost report to reconcile the LEA's final settlement is due on or before April 1 following the reporting period.

The primary purposes of the cost report process are to:

1. Document the provider's total CMS-approved, Medicaid-allowable costs of delivering Medicaid coverable services using a CMS-approved cost allocation methodology.

2. Reconcile any interim payments to its total CMS-approved, Medicaid-allowable costs using a CMS approved cost allocation methodology.

The Quarterly Interim Settlement Cost Report and the Annual Settlement Cost Report includes a certification of costs statement to be completed certifying the provider's actual incurred costs/expenditures. All filed annual Cost Reports are subject to desk review by the Alabama Medicaid Agency.

(E). The Cost Reconciliation Process:

The cost reconciliation process must be completed by the Alabama Medicaid Agency within twenty-four (24) months of the end of the reporting period covered by the Annual Settlement Cost Report. The total Medicaid-allowable costs based on CMS-approved cost allocation methodology procedures are compared to any LEA provider's Medicaid interim payments delivered during the reporting period as documented in the Medicaid Management Information System (MMIS) as well as amounts received from Quarterly Interim Settlements, to determine the final cost reconciliation and settlement. 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 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; however, such approval does not necessarily require the submission of a new state plan amendment.

(F). The Cost Settlement Process

EXAMPLE:

- For services delivered for the period covering January 1, through March 31, the Quarterly Interim Settlement Cost Report is due on or before June 30.
- For services delivered for the period covering April 1, through June 30, the Quarterly Interim Settlement Cost Report is due on or before September 30.

- For services delivered for the period covering July 1, through September 30, the Quarterly Interim Settlement Cost Report is due on or before November 30.
- The Annual Settlement Cost Report will reconcile the costs and payments received through the Interim Claiming process and will be due by April 1 of each year.

If a provider's interim payments exceed the actual, certified costs for Medicaid services provided in schools to Medicaid clients, the provider will remit the federal share of the overpayment at the time the Annual Settlement Cost Report is submitted. The Alabama Medicaid Agency will submit the federal share of the overpayment to CMS within 60 days of identification. If the actual, certified costs of a LEA provider exceed total interim payments, the Alabama Medicaid Agency will pay the federal 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.

Effective Date: 04/01/12

8. Dental Services (Clinics)

All dental clinics, including orthodontic clinics, are paid fee for service.

The agency's rates were set as of April 1, 2012, and are effective for services on or after that date. All rates are published on www.medicaid.alabama.gov. Except as otherwise noted in 4.19-B of the plan, state developed fee schedule rates are the same for both governmental and private providers.

Effective Date: 04/01/12

9. Home Health Care

a. Nursing and Home Health Aide Services

Reimbursement for skilled nursing services and home health aide services will be at a per unit of service rate established by Medicaid. Payments to governmental providers will not exceed actual costs and will meet all requirements of Circular A-87.

Medicaid will reimburse governmental providers at interim rates for skilled nursing and home health aide services. Interim rates will be established based upon final costs per discipline according to the most recent home health cost report settled and approved by the provider's fiscal intermediary. At least annually, reimbursement at interim rates will be reconciled to actual costs per discipline when submitted costs are finalized and approved by the provider's fiscal intermediary. In order to find the Medicaid cost, the average cost per visit from the Medicare cost report will be applied to Medicaid visits per discipline to arrive at total Medicaid costs.

The agency's rates were set as of April 1, 2012, and are effective for services on or after that date. All rates are published on www.medicaid.alabama.gov. Except as otherwise noted in 4.19-B of the plan, state developed fee schedule rates are the same for both governmental and private providers.

- j. Private Duty Nursing - the reimbursement methodology is based on an hourly rate for a registered nurse or licensed practical nurse. Rates are established using the lowest rates for agencies surveyed.
- k. Transplant (heart-lung, pancreas-kidney and lung) - the reimbursement methodology is the same as identified in Attachment 4.19-B, Number 18 of the State Plan.
- l. Air Ambulance - the reimbursement methodology is the same as identified in Attachment 4.19B, Number 11 of the State Plan.