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State/Territory Name: District of Columbia

State Plan Amendment (SPA) #: 15-0003

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
150 S. Independence Mall West
Suite 216, The Public Ledger Building
Philadelphia, Pennsylvania 19106-3499



Region III/Division of Medicaid and Children's Health Operations

SWIFT # 041020154007

Claudia Schlosberg, J.D.
Senior Deputy Director/State Medicaid Director
Department of Health Care Finance
441 4th Street, N.W., Suite 900 South
Washington, D.C. 20001

Dear Ms. Schlosberg:

I am writing to inform you that we have reviewed the District of Columbia's State Plan Amendment (SPA) 15-003 entitled, School Based Health Services (SBHS). This SPA will amend the State Plan by eliminating Personal Care Services as one of the eleven services eligible for Medicaid reimbursement under the District's SBHS benefit.

We are pleased to inform you that, after extensive review, this amendment is approved; its effective date is November 28, 2015.

A copy of the approved SPA pages and signed CMS-179 form are included under this cover.

If you have any further questions regarding this SPA, please contact Alice Robinson Penn at 215-861-4261 or by email at Alice.RobinsonPenn@cms.hhs.gov.

Sincerely,


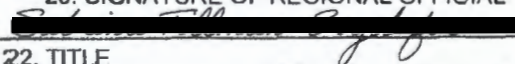
A black rectangular redaction box covering the signature of Francis McCullough.

Digitally signed by Sabrina
Tillman-boyd-S
Date: 2015.12.31 10:19:01
-05'00'

Francis McCullough
Associate Regional Administrator

Enclosures

cc: M. Diane Fields, DHCF

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 15-003	2. STATE District of Columbia
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		3. PROGRAM IDENTIFICATION: Title XXI of the Social Security Act	
TO: Regional Administrator Centers for Medicare & Medicaid Services Department of Health and Human Services		4. PROPOSED EFFECTIVE DATE January 1, 2015 NOVEMBER 28, 2015	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION §§1902(a)(23) and 1905(a) of the Act 42 CFR §440.110; 42 CFR §440.80		7. FEDERAL BUDGET IMPACT a. FFY 15 \$ 0 b. FFY 16 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Supplement 1 to Attachment 3.1-A, p 6a Attachment 4.19-B, Part 1, pp 20-25 SBHS Implementation Plan		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <i>Supplement 1 to Attachment 3.1-B p 5g</i> Supplement 1 to Attachment 3.1-A, p 6a Attachment 4.19-B, Part 1, pp 20-25 SBHS Implementation Plan	
10. SUBJECT OF AMENDMENT: School Based Health Services			
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Resolution Number: <u>PR21-0049</u> <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL 		16. RETURN TO Claudia Schlosberg, JD Senior Deputy Director/Medicaid Director Department of Health Care Finance 441 4 th Street, NW, 9 th Floor South Washington, DC 20001	
13. TYPED NAME Claudia Schlosberg, JD		14. TITLE Senior Deputy Director/ Medicaid Director	
15. DATE SUBMITTED March 12, 2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED MARCH 12, 2015		18. DATE APPROVED	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL NOVEMBER 28, 2015		20. SIGNATURE OF REGIONAL OFFICIAL 	
21. TYPED NAME FRANCES McCullough		22. TITLE ASSOCIATE REGIONAL ADMINISTRATOR	
23. REMARKS			

School-Based Health (SBH) (Continued)Nutrition Services (continued).

Columbia laws. Provider qualifications shall meet the requirements of 42 C.F.R. § 440.60(a) and any amendments thereto.

Occupational Therapy. Services include special education related services and screenings intended to improve and prevent initial or further loss of function and are provided by qualified occupational therapists or occupational therapy aides under the supervision of qualified occupational therapists. 34 C.F.R. § 300.34(c)(6); D.C. Code §§ 3-1205.04(g). Provider qualifications shall meet the requirements of 42 C.F.R. § 440.110 and any amendments thereto.

Orientation and Mobility. Services and screenings that enable blind or visually impaired children to gain systematic orientation to and safe movement within their school environment. Providers must be certified as Orientation and Mobility Specialists and qualified under 42 C.F.R. § 440.130(d) and any amendments thereto.

Physical Therapy. Special education related services and screenings provided by a qualified physical therapist or by a physical therapy assistant under the supervision of a qualified physical therapist in accordance with 34 C.F.R. § 300.34(c)(9); D.C. Code §§ 3-1205.04(j). Provider qualifications shall meet the requirements of 42 C.F.R. § 440.110 and any amendments thereto.

Psychological Evaluation. Services and screenings provided by qualified social workers, psychologists, guidance counselors, or other qualified personnel in accordance with 42 C.F.R. § 440.60(a); D.C. Mun. Regs. tit. 5, §§ 1657, 1659-1660 and any amendments thereto.

School-Based Health (SBH) (Continued)

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Psychological Evaluation. Services and screenings provided by qualified social workers, psychologists, guidance counselors, or other qualified personnel in accordance with 42 C.F.R. § 440.60(a); D.C. Mun. Regs. tit. 5, §§ 1657, 1659-1660 and any amendments thereto.

Skilled Nursing. Services and screenings rendered by practitioners as defined in 42 C.F.R. § 440.60 and any amendments thereto. These services include the administration of physician ordered medications or treatments to qualified children who require such action during the school day in accordance with the IEP/IFSP.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES**28. Early Periodic Screening, Diagnosis and Treatment (EPSDT) Services****REIMBURSEMENT METHODOLOGY FOR SCHOOL BASED HEALTH SERVICES (SBHS)**

EPSDT School based health services (SBHS) are delivered by District of Columbia Public Schools (DCPS) and Public Charter Schools (DCPCS), referred to as “providers” for Section 28.I of this Attachment, in DCPS and DCPCS school settings within the District of Columbia.

Providers who arrange for the delivery of SBHS services by a privately owned or operated entity meeting the definition of “Nonpublic special education school or program” as defined in D.C. Official Code § 38-2561.01, are referred to as “nonpublic programs”. Nonpublic programs must be certified as “Full Approval Status” schools by the Office of the State Superintendent of Education (OSSE) in accordance with D.C. Official Code § 38-2561.07 and 5-A DCMR §§ 2800 *et seq.*, and shall be used when a provider is unable to provide free and appropriate public education to the beneficiary. A nonpublic program shall submit claims for SBHS to OSSE, and OSSE shall maintain enrollment with DHCF as the SBHS nonpublic program provider of record. Reimbursement to OSSE for SBHS delivered in nonpublic programs shall be subject to cost based reimbursement.

SBHS are defined in Supplement 1, Attachment 3.1-A pages 6, 6a and 6b and include the following Medicaid services:

1. Skilled Nursing Services
2. Psychological Evaluation Services
3. Behavioral Supports (Counseling Services)
4. Orientation and Mobility Services
5. Speech-Language Pathology Services
6. Audiology Services
7. Occupational Therapy Services
8. Physical Therapy Services
9. Specialized Transportation
10. Nutrition Services

I. Cost-Based Reimbursement for District of Columbia Public Schools (DCPS) and Public Charter Schools (DCPCS)**A. Direct Medical Payment Methodology**

Providers are being paid on a cost basis for SBHS provided on or after October 1, 2009. Providers will be reimbursed interim rates for SBHS direct medical services per unit of service at the lesser of the provider’s billed charges or the statewide enterprise interim

rate. On an annual basis, a District-specific cost reconciliation and cost settlement for all over and under payments will be processed based on a yearly filed CMS-approved cost report.

B. Interim Payments

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. Direct medical services may be encounter-based or in 15-minute unit increments. The interim rate is the rate for a specific service for a period that is provisional in nature, pending the completion of cost reconciliation and cost settlement for that period.

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:

- Total direct and indirect costs, less any federal payments for these costs, will be captured utilizing the following data sources:
 - a. School Based Health Services CMS-approved Cost Report received from schools
 - b. Random Moment Time Study (RMTS) Activity Code 1200 (Direct Medical Services) and Activity Code 3100 (General Administration):
 - i. Direct medical RMTS percentage
 - c. School District specific IEP Medicaid Eligibility Rates (MER)

D. Data Sources and Cost Finding Steps

The cost report identifies SBHS costs by the following cost pools: 1) Medical costs and 2) Transportation costs. Change in the number of cost pools is determined during the CMS approval of the cost report and RMTS. 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 unallocated payroll and other costs that can be charged to direct medical services. Direct payroll costs include total compensation (i.e., salaries and benefits and contract compensation) of direct services personnel listed in the description of covered Medicaid services delivered by DCPS and DCPCS, excluding transportation personnel. Other direct costs include costs directly related to the approved direct services personnel for the delivery of medical services, such as medically-related purchased services, supplies and materials. These

direct costs will be calculated on a Medicaid provider-specific level and reduced for any federal payments for these costs, resulting in adjusted direct costs. Allowable provider costs related to Direct Medical Services include: 1) Salaries; 2) Benefits; 3) Medically-related purchased or contracted services; and, 4) Medically-related supplies and materials.

The cost report contains the scope of cost and methods of cost allocation that have been approved by the CMS. Costs are obtained from the audited Trial Balance and supporting General Ledger, Journals, and source documents. They are also reported on an accrual basis.

Indirect Costs: Indirect costs are determined by applying the DCPS and DCPCS specific unrestricted indirect costs rate to their adjusted direct costs. District of Columbia Public Schools and Public Charter Schools use predetermined fixed rates for indirect costs. The District of Columbia Public Schools, Office of the Chief Financial Officer, in cooperation with the United States Department of Education (ED), developed an indirect cost plan to be used by DCPS and DCPCS. Pursuant to the authorization in 34 CFR § 75.561(b), DCPS and DCPCS approves unrestricted indirect cost rates for schools, which are also considered the cognizant agencies. 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.

Indirect Cost Rate:

- a. Apply the District of Columbia Public Schools and Public Charter Schools Unrestricted Indirect Cost Rate (UICR) applicable for the dates of service in the rate year.
 - b. The DCPS and DCPCS UICR is the unrestricted indirect cost rate calculated by the District of Columbia Public Schools, Office of the Chief Financial Officer.
- 2) **Time Study:** A time study that incorporates CMS-approved methodology is used to determine the percentage of time that medical service personnel spend on direct medical services, general and administrative time and all other activities to account for one hundred percent (100%) of time to assure that there is no duplicate claiming. This time study methodology will utilize one cost pool representing individuals performing Direct Medical Services. A sufficient number of personnel for the cost pool will be sampled to ensure time study results that will have a confidence level of at least ninety-five percent (95%) with a precision of plus or minus two percent (2%) overall. The Direct Medical Service time study percentage is applied against the Direct Medical Service cost pool. Results will be District-wide so every school will have the same time study percentages.

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- a. Direct Medical RMTS Percentage
 - i. Direct Medical Cost Pool: Apply the Direct Medical Service percentage from the Random Moment Time Study (Activity Code 1200). The direct medical service costs and time study results must be aligned to assure appropriate cost allocation.
 - b. General Administrative Percentage Allocation
 - i. Direct Medical Cost Pool: Apply the General Administrative time applicable to the Direct Medical Services percentage from the Random Moment Time Study (Activity Code 3100). The Direct Medical Services costs and time study results must be aligned to assure appropriate cost allocation.
- 3) IEP Medicaid Eligibility Rate (MER): A District-wide MER will be established that will be applied to all participating schools. When applied, this MER will discount the cost pool expenditures by the percentage of IEP Medicaid students.

The names and birthdates of students with a health-related IEP will be identified from the December 1 Count Report and matched against the Medicaid eligibility file to determine the percentage of those that are eligible for Medicaid. The numerator of the rate will be the students with an IEP that are eligible for Medicaid, and the denominator will be the total number of students with an IEP.

E. Specialized Transportation Services Payment Methodology

Providers are paid on a cost basis for effective dates of service on or after October 1, 2009. Providers will be reimbursed interim rates for SBHS Specialized Transportation services at the lesser of the provider's billed charges or the District-wide interim rate. Federal matching funds will be available for interim rates paid by the District. 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 service when the following conditions are met:

- 1) Transportation is specifically listed in the IEP as a required service;
- 2) The child requiring transportation in a vehicle with personnel specifically trained to serve the needs of an individual with a disability;
- 3) A medical service is provided on the day that specialized transportation is billed; and
- 4) 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 reduced by any federal payments for these costs, resulting in adjusted costs for transportation. The cost identified on the cost report includes the following:

- 1) Bus Drivers
- 2) Attendants
- 3) Mechanics
- 4) Substitute Drivers
- 5) Fuel
- 6) Repairs & Maintenance
- 7) Rentals
- 8) Contract Use Cost
- 9) Depreciation

The source of these costs will be the audited Trial Balance and supporting General Ledger, Journals and source documents kept at DCPS and DCPCS. Costs are reported on an accrual basis.

Special education transportation costs include those adapted for wheelchair lifts and other special modifications which are necessary to equip a school bus in order to transport children with disabilities.

F. Certification of Funds Process

Each provider certifies on an annual basis an amount equal to each interim rate times the units of service reimbursed during the previous federal fiscal quarter. In addition, each provider certifies on an annual basis through its cost report its total actual, incurred allowable costs/expenditures, including the federal share and non-federal 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.

G. Annual Cost Report Process

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

- 1) Document the provider's total CMS-approved, Medicaid allowable scope of costs for delivering school based health services, including direct costs and indirect costs, based on CMS-approved cost allocation methodology procedures; and

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- 2) Reconcile its interim payments to its total CMS-approved, Medicaid allowable scope of costs based on CMS-approved cost allocation methodology procedures.

The annual SBHS Cost Report includes a certification of funds statement to be completed, certifying the provider's actual, incurred costs/expenditures. All filed annual SBHS Cost Reports are subject to a desk review by the Department of Health Care Finance (DHCF) or its designee.

H. Cost Reconciliation Process

The cost reconciliation process must be completed within fifteen (15) months of the end of the cost report submission date. The total CMS-approved, Medicaid allowable scope of costs based on CMS-approved cost allocation methodology procedures are compared to the provider's Medicaid interim payments for school based health services delivered during the reporting period as documented in the Medicaid Management Information System (MMIS), resulting in cost reconciliation.

For the purposes of cost reconciliation, the District 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.

I. Cost Settlement Process

For services delivered for a period covering October 1 through September 30, the annual SBHS Cost Report is due on or before June 30 of the following year, with the cost reconciliation and settlement process completed within fifteen months of the cost report filing.

If a provider's interim payments exceed the actual, certified costs of the provider for school based health services to Medicaid beneficiaries, the provider will return an amount equal to the overpayment.

If actual certified costs of a provider for school based health services exceed the interim Medicaid payments, DHCF 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 within 30-days of final cost settlement.

DHCF shall issue a notice of settlement that denotes the amount due to or from the provider.