



Region 10
2201 Sixth Avenue, MS/RX 43
Seattle, Washington 98121

JAN 28 2010

Bruce Goldberg, MD, Director
Department of Human Services
Human Services Building
500 Summer Street Northeast, E-15
Salem, Oregon 97301-1097

RE: Oregon State Plan Amendment (SPA) Transmittal Number #08-011

Dear Dr. Goldberg:

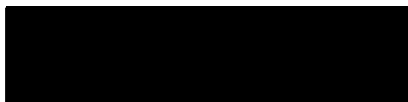
The Centers for Medicare & Medicaid Services has completed its review of the Oregon State Plan Amendment (SPA) Transmittal Number #08-011.

This amendment revises the reimbursement methodology for the Early Intervention/Early Childhood Special Education (EI/ECSE) School Targeted Case Management (TCM) program. Through the amendment the state adopted the use of an annual provider-specific cost based rate that is not reconciled to the prior year's cost. Furthermore, indirect costs for all providers are claimed using the local agency's (Oregon Department of Education) cognizant rate.

This SPA is approved effective April 2, 2008, as requested by the State.

If you have any questions concerning this SPA, please contact me, or have your staff contact Wendy Hill Petras at (206) 615-3814 or wendy.hillpetras@cms.hhs.gov.

Sincerely,



Barbara K. Richards
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

cc: Judy Mohr Peterson, Administrator, DMAP

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
08-11

2. STATE
Oregon

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID) Medical Assistance

4. PROPOSED EFFECTIVE DATE
April 1, 2008 April 2, 2008 (pfi)

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
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 CFR 440.169 and Part 441

7. FEDERAL BUDGET IMPACT:
a. FFY 2008 \$ **1,453,928**
b. FFY 2009 \$ **2,907,856**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement 1 to Attachment 3.1-A, Page 10-13a (pfi) and 32-35 and Attachment 4.19B, Page 4d, 4e (pfi)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
Attachment to Supplement 1 to Attachment 3.1-A, Page 32-35.

10. SUBJECT OF AMENDMENT: This transmittal is being submitted to revise the reimbursement methods for the E/ECSE School TCM program.

11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:
[Signature]

16. RETURN TO:
Division of Medical Assistance Programs
Department of Human Services
500 Summer Street NE E-35
Salem, OR 97301

ATTN: Jesse Anderson, Title XIX Coordinator

13. TYPED NAME: **Jim Edge** **Bruce Goldberg, MD**

14. TITLE: **Administrator, DMAP** **Director, DHS**

15. DATE SUBMITTED:
6/27/08

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **6/27/2008**

18. DATE APPROVED: **JAN 28 2010**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: **Apr 2, 2008**

20. SIGNATURE OF REGIONAL OFFICIAL:
[Signature]

21. TYPED NAME: **Barbara K Richards**

22. TITLE: **Associate Regional Administrator**

23. REMARKS:
**12/22/08 State authorized pen & ink changes.
12/31/08 State authorized pen & ink changes.
11/30/09 State authorized pen & ink changes.
1/20/10 State authorized pen & ink changes.
1/22/10 State authorized pen & ink changes.**

Division of Medicaid & Children's Health

Targeted Case Management
EI/ECSE

Target Group:

Preschool children with disabilities, birth until three years of age who are eligible for Early Intervention (EI) services or Three years of age to eligibility for public school who are eligible for Early Childhood in Special Education (ECSE) may be referenced as (EI/ECSE).

For case management services provided to individuals in medical institutions:

Target group comprised of individuals transitioning to a community setting and case management services will be made available for up to 180 consecutive days of the covered stay in the medical institution.

Areas of state in which services will be provided:

Entire State

Only in the following geographic areas (authority of section 1915(g) (1) of the Act is invoked to provide services less than Statewide)

Comparability of services:

Services are provided in accordance with section 1902(a) (10) (B) of the Act.

Services are not comparable in amount duration and scope.

1915(g)(1) of the Act is invoked to provide services without regard to the requirements of section 1902(a)(10)(B) of the Act.

Definition of services:

Case management services are services furnished to preschool children with disabilities eligible for EI/ECSE services in the target group, eligible under the State Plan, to assist and enable the eligible child to gain access to needed medical, social, educational, developmental and other appropriate services in coordination with the child's Individualized Family Service Plan (IFSP). Case Management includes the following assistance:

Comprehensive assessment and periodic reassessment conducted annually in conjunction with the eligible child's IFSP to determine the child's need for any medical, educational, psycho-social, developmental or other services.

These assessment activities include:

- Taking recipient's history
- Identifying the child's needs and completing related documentation
- Gathering information from other sources such as family members, medical providers, social workers, IFSP Team members and educators (if necessary), to form a complete assessment of the child of the extent and nature of child's needs (medical, social, educational, developmental and other services)

Development (and periodic revision) of a specific care plan in coordination with the child's IFSP that:

- is based on the information collected through the assessment process;
- specifies the medical, social, educational, and other services needed by the child and course of action to address those needs;
- includes activities such as ensuring the active participation of the eligible child's family (or authorized health care decision maker) and others to determine and develop goals; and
- identify an appropriate course of action addressing the eligible child's needs in a coordinated effort with the family or authorized health care decision maker and other IFSP team members to respond to the identified needs of the eligible child.

Referral and related activities: These are services that are intended to help an eligible individual obtain needed services in a timely manner that optimize health and well-being, including activities that:

- Link an individual with medical, social, educational providers or
- Other programs and services that are capable of providing needed services,
- Assist in scheduling appointments for the individual as needed
- Remind and motivate individual and the individual's family to adhere to the treatment and care services schedules established by providers.

Monitoring and follow-up activities: contacts either in person or by other means of communication that are necessary to ensure the care plan in coordination with the eligible child's IFSP is implemented and adequately addresses the eligible child's needs and which may be with the child and family members, IFSP team members, providers, or other entities or individuals. These monitoring and follow up activities must be conducted at least once annually to review and revise a child's services specified on an IFSP but may be conducted as frequently as necessary, to determine whether the following conditions adequately meet the individual's needs to gain access to medical, social, educational, developmental and other appropriate services in coordination with the eligible child's IFSP:

- Services are being furnished in accordance with the individual's care meet the needs as identified in the child's IFSP and carried out in accordance with the child's care plan ;
- services provided in support of the child's care plan are adequate; and
- the service coordinator/targeted case manager in consultation with the family and other IFSP team members, make adjustments as necessary in the care plan for new or additional arrangements to adequately meet the individual's needs.

Case management may include:

Contact with non-eligible individuals, which are directly related to identifying the needs and supports for helping the eligible individual to access services.

Qualifications of providers:

EI/ECSE TCM Supervisors must be employees of the Education Service District (ESD) contracting agency or the EI/ECSE subcontracting agency, must possess a minimum of a master's degree in early childhood special education or a related field, and have three years experience with infants, toddlers, young children, and families.

All EI/ECSE Service Coordinators/Targeted Case Managers must:

- be employees of the ESD contracting agency or the EI/ECSE subcontracting agency
- possess a minimum of a baccalaureate degree in early childhood special education or a related field; or
- possess a minimum of a baccalaureate degree and a valid license necessary to practice in Oregon, including Teacher Standard and Practices Commission (TSPC) licensure in their area of discipline or State licensure in their area of discipline; and
- have at least three years experience with infants, toddlers, young children and families.

In addition to the above, all must have demonstrated knowledge and understanding about:

- Service coordination to assist clients in gaining access to needed medical, social, educational, developmental or other services
- The Oregon EI/ECSE program;
- The Individuals with Disabilities Education Improvement Act;
- The nature and scope of services available under the Oregon EI/ECSE program.

Freedom of Choice:

The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of section 1902(a)(23) of the Act.

- Eligible recipients will have free choice of the providers of case management services within the specified geographic area identified in this plan.
- Eligible recipients will have free choice of the providers of other medical care under the plan.

Freedom of Choice Exception:

Target group consists of eligible individuals with developmental disabilities or with chronic mental illness. Providers are limited to providers of case management services capable of ensuring that individuals with developmental disabilities or with chronic mental illness receive needed services.

Access to Services:

The State assures that:

- Case management services will not be used to restrict an individual's access to other services under the plan.
- Individuals will not be compelled to receive case management services, condition receipt of case management services on the receipt of other Medicaid services, or condition receipt of other Medicaid services on receipt of case management services.
- Providers of case management services do not exercise the agency's authority to authorize or deny the provision of other services under the plan.

Payment (42 CFR 441.18(a)(4)):

Payment for case management or targeted case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

Case Records (42 CFR 441.18(a)(7)):

Providers maintain case records that document for all individuals receiving case management as follows: (i) The name of the individual;

(ii) The dates of the case management services;

(iii) The name of the provider agency (if relevant) and the person providing the case management service;

(iv) The nature, content, units of the case management services received and whether goals specified in the care plan have been achieved;

(v) Whether the individual has declined services in the care plan;

(vi) The need for, and occurrences of, coordination with other case managers;

(vii) A timeline for obtaining needed services;

(viii) A timeline for reevaluation of the plan.

Limitations:

Case Management does not include the following:

- Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §441.169 when the case management activities are an integral and inseparable component of another covered Medicaid service (State Medicaid Manual (SMM) 4302.F).
- Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §441.169 when the case management activities constitute the direct delivery of underlying medical, educational, social, or other services to which an eligible individual has been referred, including for foster care programs, services such as, but not limited to, the following: research gathering and completion of documentation required by the foster care program; assessing adoption placements; recruiting or interviewing potential foster care parents; serving legal papers; home investigations; providing transportation; administering foster care subsidies; making placement arrangements. (42 CFR 441.18(c))

TN #08-11

Approved:

Effective Date: 4/2/08

Supersedes TN # 04-08

JAN 28 2010

Transmittal #08-11

- FFP only is available for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program except for case management that is included in an individualized education program or individualized family service plan consistent with §1903(c) of the Act. (§§1902(a)(25) and 1905(c))

TN #08-11
Supersedes TN # 04-08

Approved:

Effective Date: 4/2/08

JAN 28 2010

Transmittal #08-11

Payment Methodology for Targeted Case Management for EI/ECSE program

The cost based rate developed for EI/ECSE Targeted Case management is based on the ESD contractor's or EI/ECSE subcontractor's prior year audited costs reported to Oregon Department of Education annually and reviewed and accepted by the Department for activities related exclusively to the provision of EI/ECSE Targeted Case Management services. Such services are provided by Service Coordinators/Targeted Case Managers furnished to preschool children with disabilities in the target group, eligible under the State Plan, to assist and enable the eligible child to gain access to needed medical, social, educational, developmental and other appropriate services in conjunction with the child's Individualized Family Service Plan (IFSP). . An ESD contractor or EI/ ECSE subcontractor shall not bill for more hourly units than that of which was used to establish the costs which have previously been reviewed and accepted by the Department. The ESD contractor or EI/ECSE Subcontractor's established hourly cost based rate is divided by 60 and yields a per minute cost amount. The per minute cost amount multiplied by actual number of minutes for services provided results in the ESD contractors or EI/ECSE subcontractors billing Medicaid no more than their cost to provide these services. If applicable, a finalized indirect rate established for the current year and approved by the cognizant federal agency delegate, Oregon Department of Education, may be applied, provided the costs included in the indirect cost calculation are not also included elsewhere in the calculation of the hourly cost based rate. As the above methodology utilizes cost based rates which are based on prior year costs, there will not be any need for reconciliation nor annual cost settlement required for payment made for TCM services provided by each ESD contractor or EI/ECSE subcontractor.

If the ESD contractor or EI/ECSE subcontractor does not have a full prior year cost to establish a TCM cost based rate, an estimate can be established based on the lesser of budgeted costs for the current year or an estimate of actual costs expended during the current year which prorates cost to the end of that year, however the Department will not require that a cost reconciliation be completed at the end of the year for ESD contractor or EI/ECSE subcontractor cost based rates.

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The ESD contractor or EI/ECSE subcontractor targeted case management cost based rate will be derived by considering the following expenditures directly attributable to Targeted Case Management Staff:

- Targeted case management staff salaries and other personnel expenses
- Supervisory salaries and other personnel expenses
- Administrative support salaries and other personnel expenses: Services and supply expenses
- Various Overhead expenditures, if not already considered in the Oregon Department of Education's indirect rate

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