Introduction to the School-Based Services (SBS) Readiness Checklist: A Comprehensive Tool to Assist with SBS State Plan Amendment (SPA) Submission and Compliance

Thursday, June 13, 2024

3 p.m. to 3:45 p.m. ET | 2 p.m. to 2:45 p.m. CT | 12 p.m. to 12:45 p.m. PT

CMS Financial Management Group (FMG)
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Baltimore, MD 21244

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7475 Wisconsin Avenue, Suite 1000
Bethesda, MD 20814

Agenda

- Welcome and Objectives
- Celebrating the Bipartisan Safer Communities Act (BSCA)
- Introducing the SBS Readiness Checklist
- State Pilot Spotlight
- Next Steps
- Questions, Conclusion, and Adjournment

Today's Presenters

Caitlin Carney
SBS Technical Assistance Center (TAC)

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SBS Technical Assistance Center (TAC)

Objectives

- Understand how to use the SBS Readiness Checklist to support expansion of the school Medicaid program, compliance with CMS guidance, and other tasks.
- Identify key takeaways of utilizing the SBS Readiness Checklist to support the evolution of a Medicaid SBS program.

Milestones: Commemorating Anniversaries of the TAC and the BSCA

June 2022

Congress passes the BSCA, requiring updated guidance, technical assistance (TA), and appropriating $50 million for SBS grants for State Medicaid agencies (SMAs)

August 2022

CMS Informational Bulletin (CIB): Information on School-Based Services in Medicaid: Funding, Documentation, and Expanding Services

May 2023

Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming Guide ("The Guide")

June 2023

CMS launches SBS TAC, begins regular TA with SMAs, State educational agencies (SEAs), and local educational agencies (LEAs)

January 2024

CMS issues a notice of funding opportunity for SBS grants for SMAs

Q2/Q3 2024

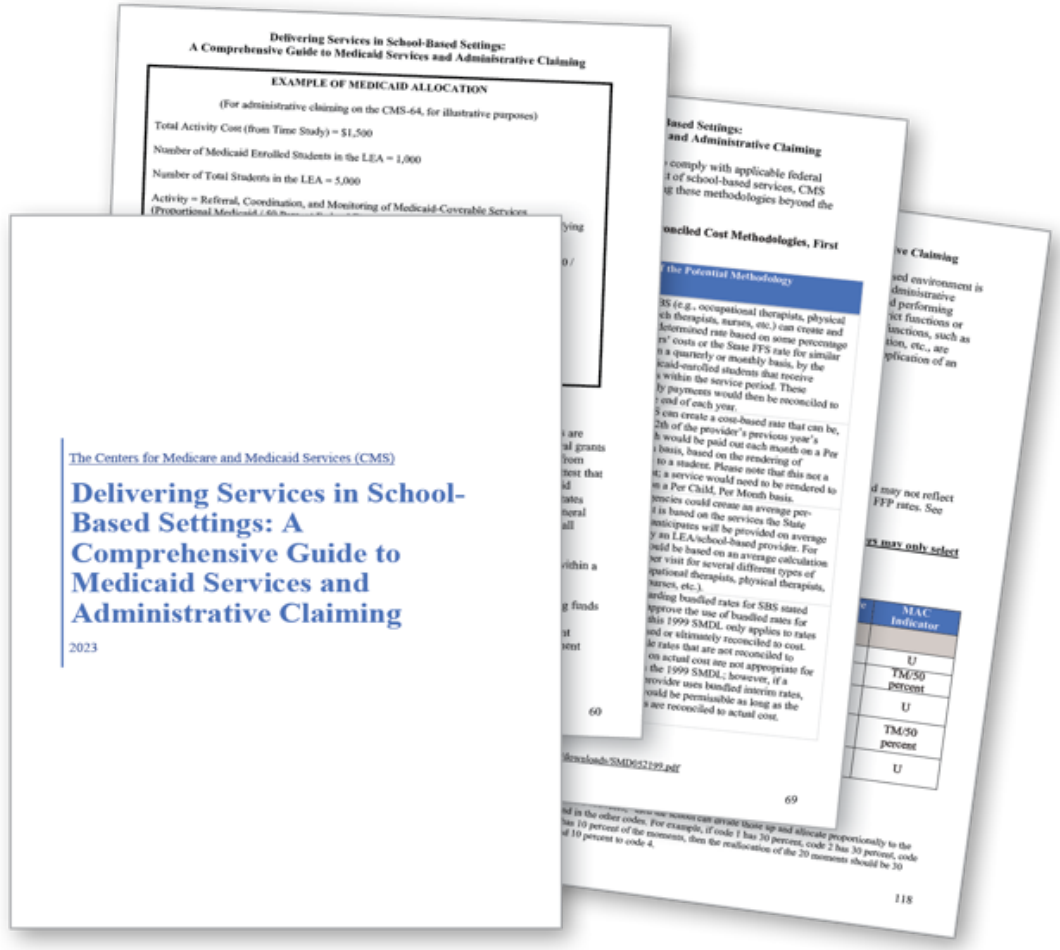
BSCA grants will be issued to up to 20 SMAs to support SBS

CMS and the Department of Education (ED) work closely with the TAC to answer questions, develop policy, get the word out to State and local stakeholders, and support States with coming into compliance with the 2023 Guide by July 1, 2026.

2023 Comprehensive Guide to Medicaid Services and Administrative Claiming

In consultation with ED and in accordance with Section 11003 of BSCA, CMS released:

1. "Delivering Services in School-Based Settings:
   A Comprehensive Guide
   to Medicaid Services
   and Administrative Claiming."
2. An accompanying Centers for Medicaid and CHIP Services (CMCS) Informational Bulletin (CIB)



https://www.medicaid.gov/medicaid/financial-management/downloads/sbs-guide-medicaid-services-administrative-claiming.pdf
https://www.medicaid.gov/federal-policy-guidance/downloads/cib051823.pdf

What the 2023 Comprehensive Guide and CIB do?

- Encourage States to expand their school Medicaid programs beyond Individualized Education Program (IEP) services and students.
- Identify new flexibilities.
- Clarify how payments can be made to school-based providers under Medicaid and Children's Health Insurance Program (CHIP).
- While the new flexibilities are optional, States must come into compliance with the requirements described in the 2023 Comprehensive Guide by July 1, 2026.

Overview of the SBS Readiness Checklist

Introduction to the SBS Readiness Checklist

The SBS Readiness Checklist can help the State with **five tasks** related to CMS' 2023 Comprehensive Guide:

1. Draft a Medicaid State Plan amendment (SPA) to expand services/populations.
2. Adopt certain flexibilities.
3. Assess whether payment methodology described in the State Plan complies with the 2023 Comprehensive Guide and Federal cost regulations.
4. Prepare additional compliance documents:
   a) SBS Claiming Time Study Implementation Plan (TSIP)
   b) Interagency Agreement for Medicaid Administrative Claiming
   c) Third-Party Liability (TPL)
5. Discuss plans for SBS with CMS and across State agencies.

The SBS Readiness Checklist…

- Is **voluntary** for States to use.
- Does not supersede Federal guidance or regulations.
- Is designed to support SBS Medicaid programs and is not intended for application to other Medicaid or CHIP programs.
- Focuses on SBS authority derived from the Medicaid State Plan only.
  - State staff may also need to consider managed care contracts, CHIP, or waivers that authorize coverage and reimbursement of SBS.

Who would use the SBS Readiness Checklist?

- State Medicaid agency (SMA) staff familiar with SPAs can use the SBS Readiness Checklist to understand specific content expected in SBS SPAs.
  - SBS SPAs generally follow regular SPA procedures.
  - CMS has specific expectations for SBS content in the coverage and reimbursement pages.
- SBS program staff can use the SBS Readiness Checklist to understand the SPA process or other program documents.
  - Identifies steps to draft an SBS SPA and other program documents.
  - Includes a link to submit questions to the Medicaid SBS TAC.

Readiness Checklist – Live Demonstration

Readiness Checklist Demonstration Objectives

- Review structure of the workbook.
- Demonstrate three use cases:
  1. Submit a SPA.
  2. Assess whether payment methodology described in the State Plan complies with the 2023 Comprehensive Guide and Federal cost regulations.
  3. Update a TSIP.

Structure of the Workbook

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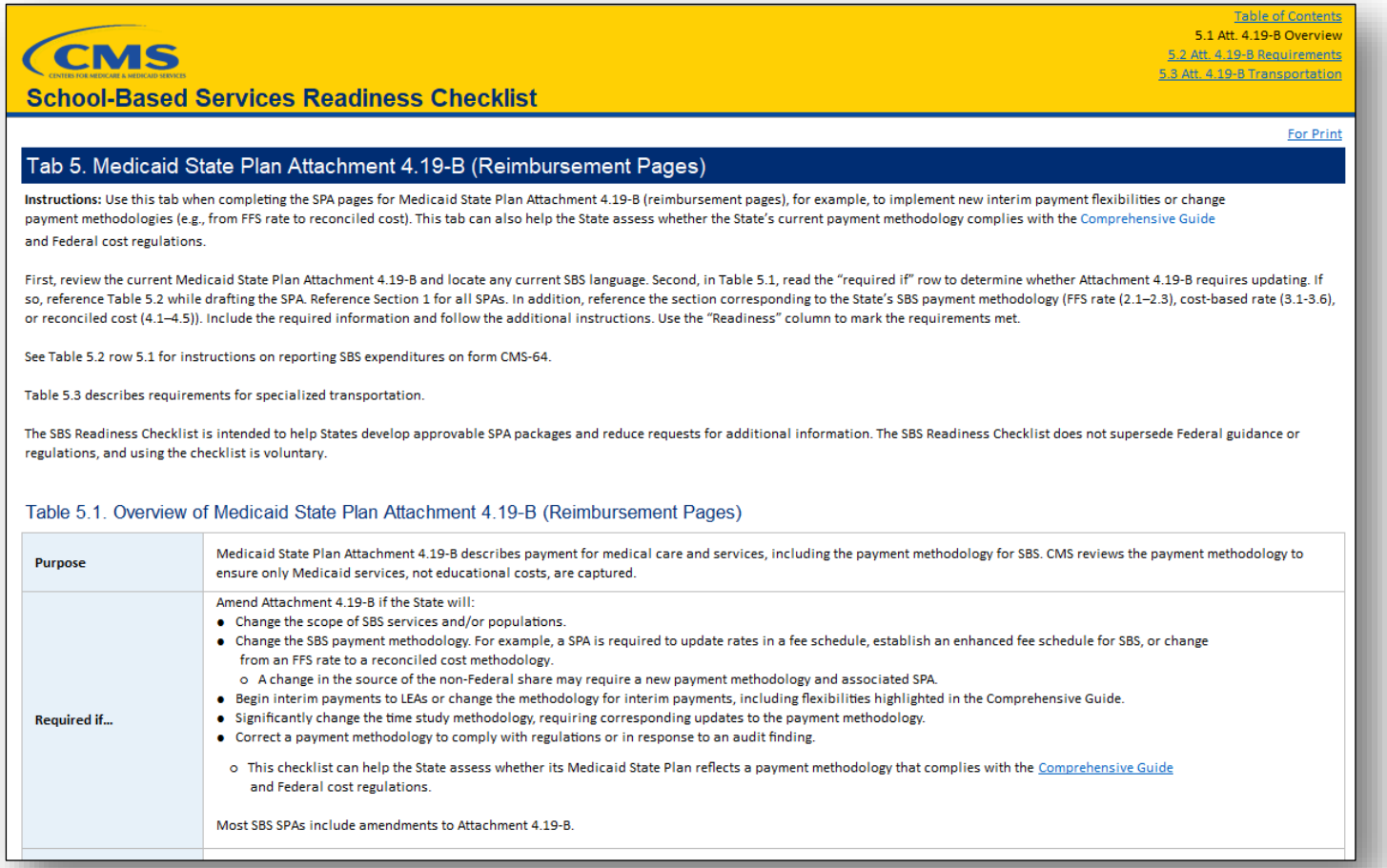
School-Based Services Readiness Checklist

Table of Contents

	Acronyms	For Print
	Introduction to the SBS Readiness Checklist	For Print
Tab 1	Medicaid State Plan Amendment Package	For Print
Tab 2.1	Overview of Public Notice	For Print
Tab 2.2	Required Information and Additional Instructions for Public Notice	For Print
Tab 3.1	Overview of Tribal Consultation	For Print
Tab 3.2	Required Information and Additional Instructions for Tribal Consultation	For Print
Tab 4.1	Medicaid State Plan Attachments 3.1-A and 3.1-B (Coverage Pages)	For Print
Tab 4.2	Required Information and Additional Instructions for Medicaid State Plan Attachments 3.1-A and 3.1-B (Coverage Pages)	For Print
Tab 5.1	Medicaid State Plan Attachment 4.19-B (Reimbursement Pages)	For Print
Tab 5.2	Required Information and Additional Instructions for Medicaid State Plan Attachment 4.19-B (Reimbursement Pages)	For Print
Tab 5.3	Required Information and Additional Instructions for Specialized Transportation	For Print
Tab 6.1	Overview of the SBS Claiming Time Study Implementation Plan (TSIP)	For Print
Tab 6.2	Requirements and Steps to Plan a Random Moment Time Study (RMTS)	For Print
Tab 6.3	Optional Headers and Required Information for a TSIP with a RMTS Methodology	For Print
Tab 7.1	Overview of Interagency Agreements for Medicaid Administrative Claiming	For Print
Tab 7.2	Required Information and Additional Instructions for Interagency Agreements for Medicaid Administrative Claiming	For Print
Tab 8.1	Overview of Flexibilities for Third-Party Liability	For Print
Tab 8.2	Required Information and Additional Instructions to Implement Flexibilities for Third Party Liability	For Print
	Requirement Citations by Table	For Print

- Tabs within the SBS Checklist are grouped by topic.
- Each topic has at least two tabs, an overview and a list of requirements.

Overview Tabs



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5.2 Att. 4.19-B Requirements
5.3 Att. 4.19-B Transportation

For Print

Tab 5. Medicaid State Plan Attachment 4.19-B (Reimbursement Pages)

Instructions: Use this tab when completing the SPA pages for Medicaid State Plan Attachment 4.19-B (reimbursement pages), for example, to implement new interim payment flexibilities or change payment methodologies (e.g., from FFS rate to reconciled cost). This tab can also help the State assess whether the State's current payment methodology complies with the Comprehensive Guide and Federal cost regulations.

First, review the current Medicaid State Plan Attachment 4.19-B and locate any current SBS language. Second, in Table 5.1, read the "required if" row to determine whether Attachment 4.19-B requires updating. If so, reference Table 5.2 while drafting the SPA. Reference Section 1 for all SPAs. In addition, reference the section corresponding to the State's SBS payment methodology (FFS rate (2.1–2.3), cost-based rate (3.1-3.6), or reconciled cost (4.1–4.5)). Include the required information and follow the additional instructions. Use the "Readiness" column to mark the requirements met.

See Table 5.2 row 5.1 for instructions on reporting SBS expenditures on form CMS-64.

Table 5.3 describes requirements for specialized transportation.

The SBS Readiness Checklist is intended to help States develop approvable SPA packages and reduce requests for additional information. The SBS Readiness Checklist does not supersede Federal guidance or regulations, and using the checklist is voluntary.

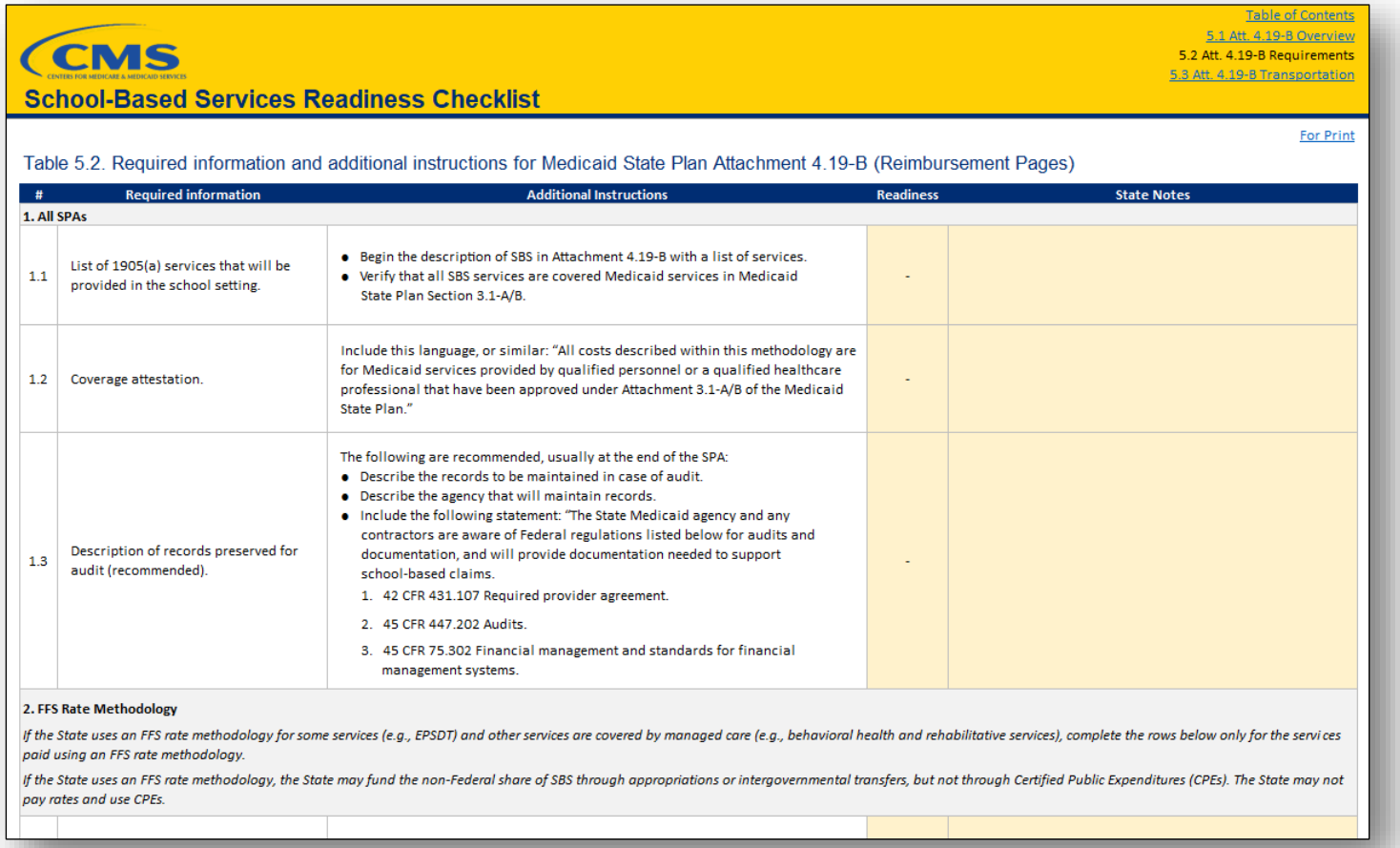
Table 5.1. Overview of Medicaid State Plan Attachment 4.19-B (Reimbursement Pages)

Purpose	Medicaid State Plan Attachment 4.19-B describes payment for medical care and services, including the payment methodology for SBS. CMS reviews the payment methodology to ensure only Medicaid services, not educational costs, are captured.

Required if…	Amend Attachment 4.19-B if the State will:
	• Change the scope of SBS services and/or populations.
	• Change the SBS payment methodology. For example, a SPA is required to update rates in a fee schedule, establish an enhanced fee schedule for SBS, or change from an FFS rate to a reconciled cost methodology.
	  ○ A change in the source of the non-Federal share may require a new payment methodology and associated SPA.
	• Begin interim payments to LEAs or change the methodology for interim payments, including flexibilities highlighted in the Comprehensive Guide.
	• Significantly change the time study methodology, requiring corresponding updates to the payment methodology.
	• Correct a payment methodology to comply with regulations or in response to an audit finding.
	  ○ This checklist can help the State assess whether its Medicaid State Plan reflects a payment methodology that complies with the Comprehensive Guide and Federal cost regulations.
	
	Most SBS SPAs include amendments to Attachment 4.19-B.

- Each **Overview Tab** describes the document's purpose, circumstances in which it is required, format for submission to CMS, and relevant regulations or guidance, State examples, and tips.

Requirements Tabs



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5.2 Att. 4.19-B Requirements
5.3 Att. 4.19-B Transportation

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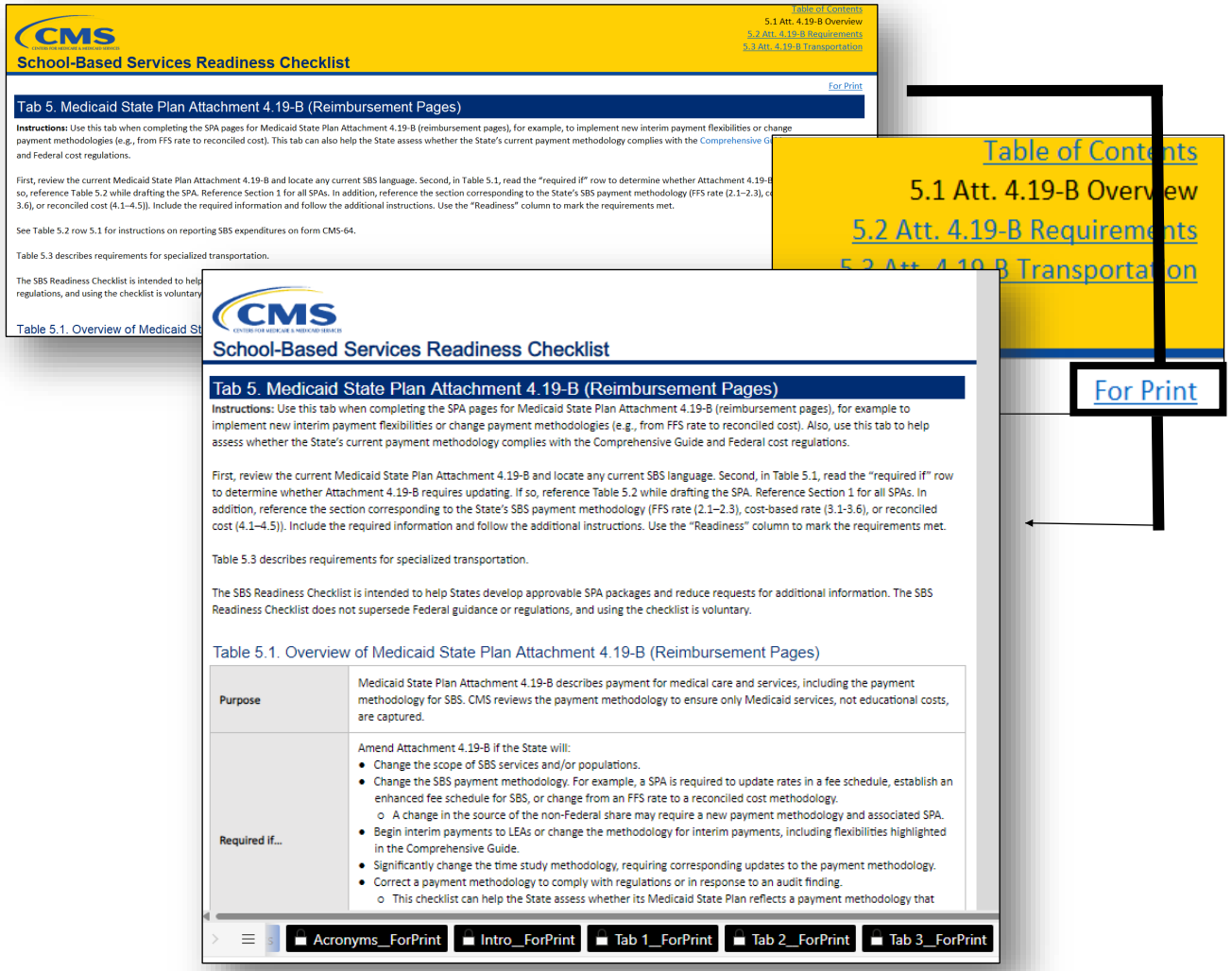
Table 5.2. Required information and additional instructions for Medicaid State Plan Attachment 4.19-B (Reimbursement Pages)

#	Required information	Additional Instructions	Readiness	State Notes
1. All SPAs				
1.1	List of 1905(a) services that will be provided in the school setting.	• Begin the description of SBS in Attachment 4.19-B with a list of services. • Verify that all SBS services are covered Medicaid services in Medicaid State Plan Section 3.1-A/B.	-	
1.2	Coverage attestation.	Include this language, or similar: "All costs described within this methodology are for Medicaid services provided by qualified personnel or a qualified healthcare professional that have been approved under Attachment 3.1-A/B of the Medicaid State Plan."	-	
1.3	Description of records preserved for audit (recommended).	The following are recommended, usually at the end of the SPA: • Describe the records to be maintained in case of audit. • Describe the agency that will maintain records. • Include the following statement: "The State Medicaid agency and any contractors are aware of Federal regulations listed below for audits and documentation, and will provide documentation needed to support school-based claims. 1. 42 CFR 431.107 Required provider agreement. 2. 45 CFR 447.202 Audits. 3. 45 CFR 75.302 Financial management and standards for financial management systems.	-	
2. FFS Rate Methodology *If the State uses an FFS rate methodology for some services (e.g., EPSDT) and other services are covered by managed care (e.g., behavioral health and rehabilitative services), complete the rows below only for the services paid using an FFS rate methodology.* *If the State uses an FFS rate methodology, the State may fund the non-Federal share of SBS through appropriations or intergovernmental transfers, but not through Certified Public Expenditures (CPEs). The State may not pay rates and use CPEs.*				

- Each **Requirements Tab** includes a list of required information and additional instructions per topic area.

“For Print” Tabs



- Each tab within the SBS Readiness Checklist is available in a “For Print” version.
- To get to the “For Print” version of the tab, simply select the printer icon at the top right of the tab. You will then be taken to a printer-friendly version of the same content.

Use Case 1: Drafting a SPA

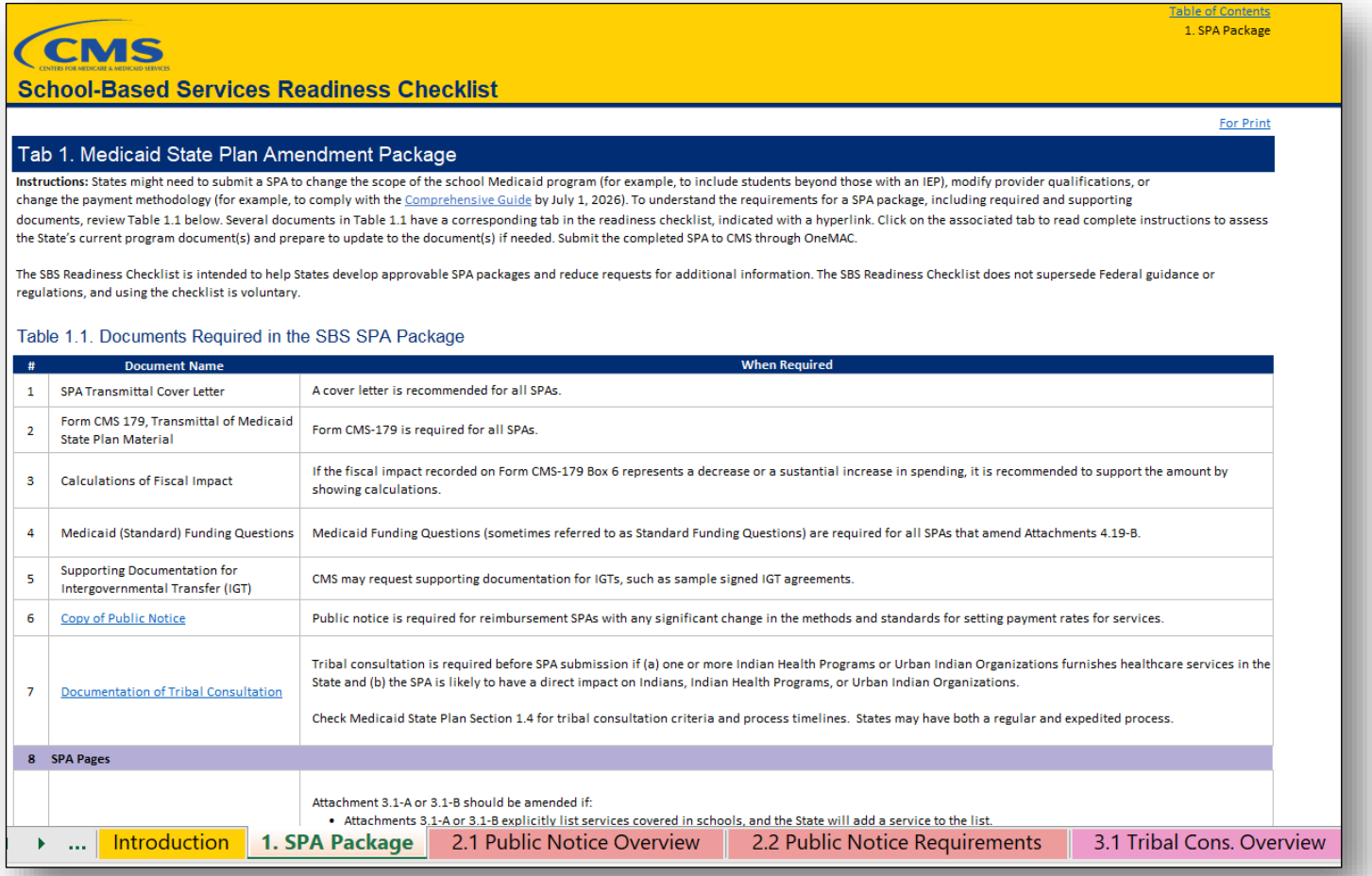
When is an SBS SPA needed?

- To expand services, populations, or authorized providers.
- To change payment methodology:
  - Update rates in a fee schedule
  - Establish an enhanced fee schedule for SBS
  - Change from a fee-for-service (FFS) rate to reconciled cost methodology
- To begin interim payments or change interim payment methodology.
- To align with any significant change in time study methodology.

The SBS Readiness Checklist can help the State draft an approvable SPA package.

Use Case 1: How to Use the SBS Readiness Checklist When Drafting a SPA

- Review SBS Readiness Checklist Tab 1, "SPA Package," to identify required, recommended, and supporting documents.
- Several documents have a corresponding tab. Click on the tab to read complete instructions.



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1. SPA Package

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Tab 1. Medicaid State Plan Amendment Package

Instructions: States might need to submit a SPA to change the scope of the school Medicaid program (for example, to include students beyond those with an IEP), modify provider qualifications, or change the payment methodology (for example, to comply with the Comprehensive Guide by July 1, 2026). To understand the requirements for a SPA package, including required and supporting documents, review Table 1.1 below. Several documents in Table 1.1 have a corresponding tab in the readiness checklist, indicated with a hyperlink. Click on the associated tab to read complete instructions to assess the State's current program document(s) and prepare to update to the document(s) if needed. Submit the completed SPA to CMS through OneMAC.

The SBS Readiness Checklist is intended to help States develop approvable SPA packages and reduce requests for additional information. The SBS Readiness Checklist does not supersede Federal guidance or regulations, and using the checklist is voluntary.

Table 1.1. Documents Required in the SBS SPA Package

#	Document Name	When Required
1	SPA Transmittal Cover Letter	A cover letter is recommended for all SPAs.
2	Form CMS 179, Transmittal of Medicaid State Plan Material	Form CMS-179 is required for all SPAs.
3	Calculations of Fiscal Impact	If the fiscal impact recorded on Form CMS-179 Box 6 represents a decrease or a sustantial increase in spending, it is recommended to support the amount by showing calculations.
4	Medicaid (Standard) Funding Questions	Medicaid Funding Questions (sometimes referred to as Standard Funding Questions) are required for all SPAs that amend Attachments 4.19-B.
5	Supporting Documentation for Intergovernmental Transfer (IGT)	CMS may request supporting documentation for IGTs, such as sample signed IGT agreements.
6	Copy of Public Notice	Public notice is required for reimbursement SPAs with any significant change in the methods and standards for setting payment rates for services.
7	Documentation of Tribal Consultation	Tribal consultation is required before SPA submission if (a) one or more Indian Health Programs or Urban Indian Organizations furnishes healthcare services in the State and (b) the SPA is likely to have a direct impact on Indians, Indian Health Programs, or Urban Indian Organizations. Check Medicaid State Plan Section 1.4 for tribal consultation criteria and process timelines. States may have both a regular and expedited process.
8	SPA Pages	
		Attachment 3.1-A or 3.1-B should be amended if: • Attachments 3.1-A or 3.1-B explicitly list services covered in schools, and the State will add a service to the list.

... | Introduction | 1. SPA Package | 2.1 Public Notice Overview | 2.2 Public Notice Requirements | 3.1 Tribal Cons. Overview

Use Case 2: Assessing Compliance

- By July 1, 2026, States must be in compliance with requirements in the 2023 Comprehensive Guide, including a payment methodology that complies with the 2023 Comprehensive Guide and Federal cost principles.

The SBS Readiness Checklist can help the State assess compliance.

Use Case 2: How to Use the SBS Readiness Checklist to Assess Payment Methodology Compliance

- Locate current SBS language in Medicaid State Plan Attachment 4.19-B.
- Compare SBS language in Medicaid State Plan attachment 4.19-B to the checklist of requirements in the SBS Readiness Checklist:
  - Tab 5.2, Required Information and Additional Instructions for Medicaid State Plan Attachment 4.19-B
  - Tab 5.3, Required Information and Additional Instructions for Specialized Transportation
- Use the “Readiness” column to mark the requirements met.

Use Case 3: Updating an SBS Claiming TSIP

When should a TSIP be updated?

- To change to a reconciled cost methodology for direct services.
- To use optional flexibilities in the 2023 Comprehensive Guide.
  - Change sample size to 385 moments + 15% oversample
- To meet requirement in the 2023 Comprehensive Guide for no more than 2 days' notice and 2 days' response window (by July 1, 2026).
- To expand services → update activity codes.
- To add authorized providers → update cost pool composition.
- To make any other change to time study methodology.

The SBS Readiness Checklist can help the State develop an approvable TSIP.

Use Case 3: How to Use the SBS Readiness Checklist to Update an SBS Claiming TSIP

- Tabs 6.2-6.3 assume a Random Moment Time Study (RMTS) is used.
- First, learn the requirements for a RMTS.
  - Use Tab 6.2, Requirements and Steps to Plan a RMTS.
  - Use the “Readiness” column to track requirements met.
- Second, check that the TSIP includes all required information.
  - Use Tab 6.3, Optional Headers and Required Information for a TSIP with a RMTS Methodology.
  - Use the “Readiness” column to track information included.

State Pilot Spotlight: Rhode Island

State Presenter

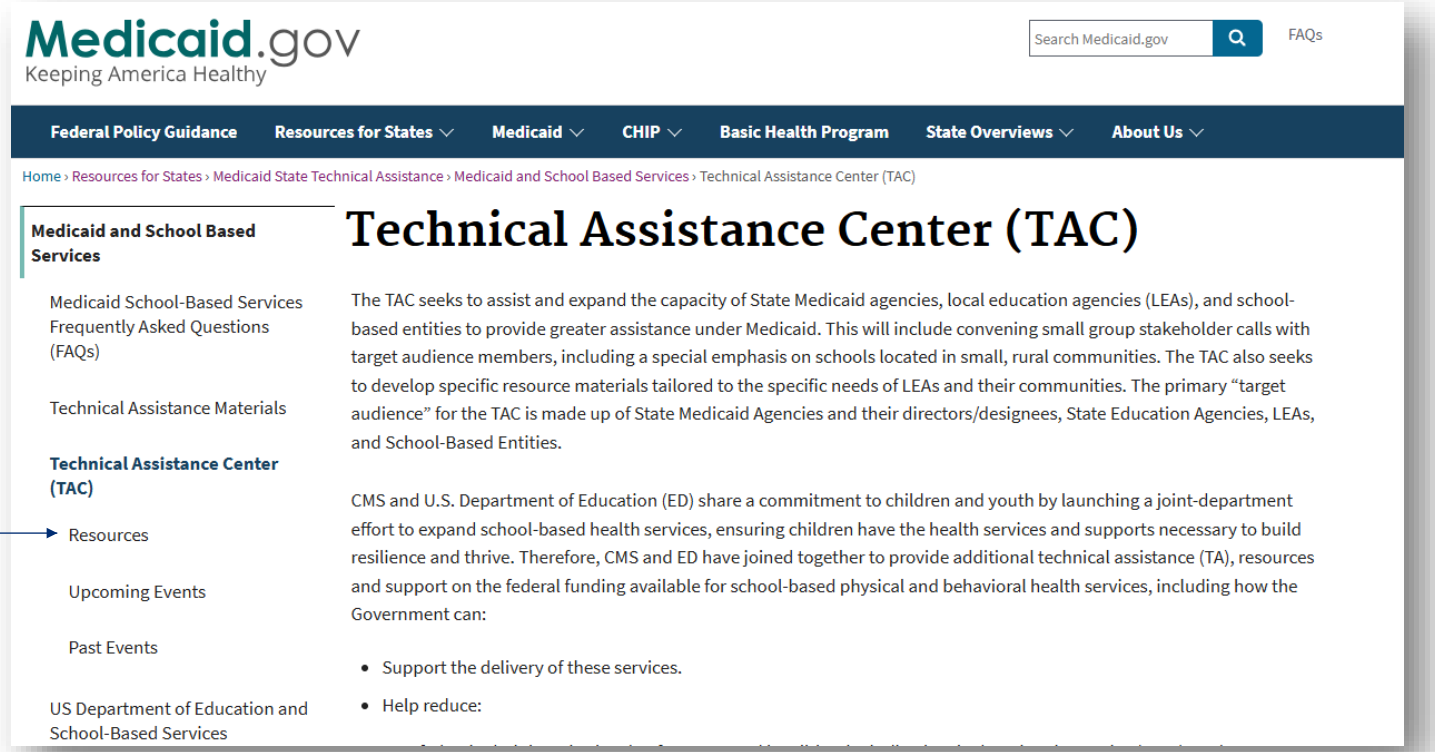
Amy Hulberg
Medicaid Policy Director
Rhode Island Executive Office of Health and Human Services

Rhode Island's Takeaways from the Checklist Pilot

- What changes is Rhode Island considering for its SBS program?
- Who will use the SBS Readiness Checklist (within Medicaid and/or Rhode Island's Department of Education) and how will they use it?
- What is useful about the tool?
  - How do you anticipate using the Readiness Checklist before, during, and after Rhode Island's SPA submission?
- Do you have any suggestions for States that might use this tool?

Next Steps for Using the SBS Readiness Checklist

The SBS Readiness Checklist is available on the Medicaid.gov SBS TAC website under “Resources”.



https://www.medicaid.gov/resources-for-states/medicaid-state-technical-assistance/medicaid-and-school-based-services/technical-assistance-center-tac/index.html

Questions?

Email: SchoolBasedServices@cms.hhs.gov

MEDICAID SBS TECHNICAL ASSISTANCE CENTER

Resources

- Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming
- May 2023 CMCS Informational Bulletin (medicaid.gov)
- Technical Assistance Center (TAC) | Medicaid